



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3921

Introduced 2/26/2009, by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Horse Racing Act of 1975. Makes changes concerning the Illinois Racing Board. Allows advance deposit wagering. Adds provisions concerning drug testing for horses. Adds provisions protecting certain horse racing funds from sweeps and charge backs. Makes other changes. Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act to provide for the conduct of electronic gaming at tracks. Amends the Riverboat Gambling Act. Makes changes concerning the Illinois Gaming Board. Creates the Office of Gaming Enforcement and a Nomination Panel. Provides for oversight of electronic gaming by the Illinois Gaming Board. Changes the short title to the Illinois Gambling Act and makes corresponding changes in other Acts. Provides for the conduct of electronic poker. Makes other changes. Effective immediately.

LRB096 11709 AMC 22423 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

PENSION IMPACT
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 Officials and Employees Ethics Act is
5 amended by changing Sections 5-50, 20-10, and 20-15 as follows:

6 (5 ILCS 430/5-50)

7 Sec. 5-50. Ex parte communications; special government
8 agents.

9 (a) This Section applies to ex parte communications made to
10 any agency listed in subsection (e).

11 (b) "Ex parte communication" means any written or oral
12 communication by any person that imparts or requests material
13 information or makes a material argument regarding potential
14 action concerning regulatory, quasi-adjudicatory, investment,
15 or licensing matters pending before or under consideration by
16 the agency. "Ex parte communication" does not include the
17 following: (i) statements by a person publicly made in a public
18 forum; (ii) statements regarding matters of procedure and
19 practice, such as format, the number of copies required, the
20 manner of filing, and the status of a matter; and (iii)
21 statements made by a State employee of the agency to the agency
22 head or other employees of that agency.

23 (b-5) An ex parte communication received by an agency,

1 agency head, or other agency employee from an interested party
2 or his or her official representative or attorney shall
3 promptly be memorialized and made a part of the record.

4 (c) An ex parte communication received by any agency,
5 agency head, or other agency employee, other than an ex parte
6 communication described in subsection (b-5), shall immediately
7 be reported to that agency's ethics officer by the recipient of
8 the communication and by any other employee of that agency who
9 responds to the communication. The ethics officer shall require
10 that the ex parte communication be promptly made a part of the
11 record. The ethics officer shall promptly file the ex parte
12 communication with the Executive Ethics Commission, including
13 all written communications, all written responses to the
14 communications, and a memorandum prepared by the ethics officer
15 stating the nature and substance of all oral communications,
16 the identity and job title of the person to whom each
17 communication was made, all responses made, the identity and
18 job title of the person making each response, the identity of
19 each person from whom the written or oral ex parte
20 communication was received, the individual or entity
21 represented by that person, any action the person requested or
22 recommended, and any other pertinent information. The
23 disclosure shall also contain the date of any ex parte
24 communication.

25 (d) "Interested party" means a person or entity whose
26 rights, privileges, or interests are the subject of or are

1 directly affected by a regulatory, quasi-adjudicatory,
2 investment, or licensing matter.

3 (e) This Section applies to the following agencies:

4 Executive Ethics Commission

5 Illinois Commerce Commission

6 Educational Labor Relations Board

7 State Board of Elections

8 ~~Illinois Gaming Board~~

9 Health Facilities Planning Board

10 Illinois Workers' Compensation Commission

11 Illinois Labor Relations Board

12 Illinois Liquor Control Commission

13 Pollution Control Board

14 Property Tax Appeal Board

15 ~~Illinois Racing Board~~

16 Illinois Purchased Care Review Board

17 Department of State Police Merit Board

18 Motor Vehicle Review Board

19 Prisoner Review Board

20 Civil Service Commission

21 Personnel Review Board for the Treasurer

22 Merit Commission for the Secretary of State

23 Merit Commission for the Office of the Comptroller

24 Court of Claims

25 Board of Review of the Department of Employment Security

26 Department of Insurance

1 Department of Professional Regulation and licensing boards
2 under the Department

3 Department of Public Health and licensing boards under the
4 Department

5 Office of Banks and Real Estate and licensing boards under
6 the Office

7 State Employees Retirement System Board of Trustees

8 Judges Retirement System Board of Trustees

9 General Assembly Retirement System Board of Trustees

10 Illinois Board of Investment

11 State Universities Retirement System Board of Trustees

12 Teachers Retirement System Officers Board of Trustees

13 (f) Any person who fails to (i) report an ex parte
14 communication to an ethics officer, (ii) make information part
15 of the record, or (iii) make a filing with the Executive Ethics
16 Commission as required by this Section or as required by
17 Section 5-165 of the Illinois Administrative Procedure Act
18 violates this Act.

19 (Source: P.A. 95-331, eff. 8-21-07.)

20 (5 ILCS 430/20-10)

21 Sec. 20-10. Offices of Executive Inspectors General.

22 (a) ~~Six~~ Five independent Offices of the Executive Inspector
23 General are created, one each for the Governor, the Attorney
24 General, the Secretary of State, the Comptroller, and the
25 Treasurer and one for gaming activities. Each Office shall be

1 under the direction and supervision of an Executive Inspector
2 General and shall be a fully independent office with separate
3 appropriations.

4 (b) The Governor, Attorney General, Secretary of State,
5 Comptroller, and Treasurer shall each appoint an Executive
6 Inspector General, and the Director of Gaming Enforcement shall
7 appoint an Executive Inspector General for gaming activities.
8 Each appointment must be made without regard to political
9 affiliation and solely on the basis of integrity and
10 demonstrated ability. Appointments shall be made by and with
11 the advice and consent of the Senate by three-fifths of the
12 elected members concurring by record vote. Any nomination not
13 acted upon by the Senate within 60 session days of the receipt
14 thereof shall be deemed to have received the advice and consent
15 of the Senate. If, during a recess of the Senate, there is a
16 vacancy in an office of Executive Inspector General, the
17 appointing authority shall make a temporary appointment until
18 the next meeting of the Senate when the appointing authority
19 shall make a nomination to fill that office. No person rejected
20 for an office of Executive Inspector General shall, except by
21 the Senate's request, be nominated again for that office at the
22 same session of the Senate or be appointed to that office
23 during a recess of that Senate.

24 Nothing in this Article precludes the appointment by the
25 Governor, Attorney General, Secretary of State, Comptroller,
26 or Treasurer of any other inspector general required or

1 permitted by law. The Governor, Attorney General, Secretary of
2 State, Comptroller, and Treasurer each may appoint an existing
3 inspector general as the Executive Inspector General required
4 by this Article, provided that such an inspector general is not
5 prohibited by law, rule, jurisdiction, qualification, or
6 interest from serving as the Executive Inspector General
7 required by this Article. An appointing authority may not
8 appoint a relative as an Executive Inspector General.

9 Each Executive Inspector General shall have the following
10 qualifications:

11 (1) has not been convicted of any felony under the laws
12 of this State, another State, or the United States;

13 (2) has earned a baccalaureate degree from an
14 institution of higher education; and

15 (3) has 5 or more years of cumulative service (A) with
16 a federal, State, or local law enforcement agency, at least
17 2 years of which have been in a progressive investigatory
18 capacity; (B) as a federal, State, or local prosecutor; (C)
19 as a senior manager or executive of a federal, State, or
20 local agency; (D) as a member, an officer, or a State or
21 federal judge; or (E) representing any combination of (A)
22 through (D).

23 The term of each initial Executive Inspector General shall
24 commence upon qualification and shall run through June 30,
25 2008. The initial appointments shall be made within 60 days
26 after the effective date of this Act.

1 After the initial term, each Executive Inspector General
2 shall serve for 5-year terms commencing on July 1 of the year
3 of appointment and running through June 30 of the fifth
4 following year. An Executive Inspector General may be
5 reappointed to one or more subsequent terms.

6 A vacancy occurring other than at the end of a term shall
7 be filled by the appointing authority only for the balance of
8 the term of the Executive Inspector General whose office is
9 vacant.

10 Terms shall run regardless of whether the position is
11 filled.

12 (c) The Executive Inspector General appointed by the
13 Attorney General shall have jurisdiction over the Attorney
14 General and all officers and employees of, and vendors and
15 others doing business with, State agencies within the
16 jurisdiction of the Attorney General. The Executive Inspector
17 General appointed by the Secretary of State shall have
18 jurisdiction over the Secretary of State and all officers and
19 employees of, and vendors and others doing business with, State
20 agencies within the jurisdiction of the Secretary of State. The
21 Executive Inspector General appointed by the Comptroller shall
22 have jurisdiction over the Comptroller and all officers and
23 employees of, and vendors and others doing business with, State
24 agencies within the jurisdiction of the Comptroller. The
25 Executive Inspector General appointed by the Treasurer shall
26 have jurisdiction over the Treasurer and all officers and

1 employees of, and vendors and others doing business with, State
2 agencies within the jurisdiction of the Treasurer. The
3 Executive Inspector General appointed by the Governor shall
4 have jurisdiction over the Governor, the Lieutenant Governor,
5 and all officers and employees of, and vendors and others doing
6 business with, executive branch State agencies under the
7 jurisdiction of the Executive Ethics Commission and not within
8 the jurisdiction of the Attorney General, the Secretary of
9 State, the Comptroller, ~~or~~ the Treasurer, or the Executive
10 Inspector General for gaming activities. The Executive
11 Inspector General for gaming activities appointed by the
12 Director of Gaming Enforcement has jurisdiction over the
13 Illinois Gaming Board, Illinois Racing Board, the Office of
14 Gaming Enforcement, and all officers and employees of those
15 agencies.

16 The jurisdiction of each Executive Inspector General is to
17 investigate allegations of fraud, waste, abuse, mismanagement,
18 misconduct, nonfeasance, misfeasance, malfeasance, or
19 violations of this Act or violations of other related laws and
20 rules.

21 (d) The minimum compensation for each Executive Inspector
22 General shall be determined by the Executive Ethics Commission.
23 The actual compensation for each Executive Inspector General
24 shall be determined by the appointing ~~executive branch~~
25 ~~constitutional~~ officer and must be at or above the minimum
26 compensation level set by the Executive Ethics Commission.

1 Subject to Section 20-45 of this Act, each Executive Inspector
2 General has full authority to organize his or her Office of the
3 Executive Inspector General, including the employment and
4 determination of the compensation of staff, such as deputies,
5 assistants, and other employees, as appropriations permit. A
6 separate appropriation shall be made for each Office of
7 Executive Inspector General.

8 (e) No Executive Inspector General or employee of the
9 Office of the Executive Inspector General may, during his or
10 her term of appointment or employment:

11 (1) become a candidate for any elective office;

12 (2) hold any other elected or appointed public office
13 except for appointments on governmental advisory boards or
14 study commissions or as otherwise expressly authorized by
15 law;

16 (3) be actively involved in the affairs of any
17 political party or political organization; or

18 (4) actively participate in any campaign for any
19 elective office.

20 In this subsection an appointed public office means a
21 position authorized by law that is filled by an appointing
22 authority as provided by law and does not include employment by
23 hiring in the ordinary course of business.

24 (e-1) No Executive Inspector General or employee of the
25 Office of the Executive Inspector General may, for one year
26 after the termination of his or her appointment or employment:

- 1 (1) become a candidate for any elective office;
- 2 (2) hold any elected public office; or
- 3 (3) hold any appointed State, county, or local judicial
- 4 office.

5 (e-2) The requirements of item (3) of subsection (e-1) may
6 be waived by the Executive Ethics Commission.

7 (f) An Executive Inspector General may be removed only for
8 cause and may be removed only by the appointing ~~constitutional~~
9 officer. At the time of the removal, the appointing
10 ~~constitutional~~ officer must report to the Executive Ethics
11 Commission the justification for the removal.

12 (Source: P.A. 93-617, eff. 12-9-03.)

13 (5 ILCS 430/20-15)

14 Sec. 20-15. Duties of the Executive Ethics Commission. In
15 addition to duties otherwise assigned by law, the Executive
16 Ethics Commission shall have the following duties:

17 (1) To promulgate rules governing the performance of
18 its duties and the exercise of its powers and governing the
19 investigations of the Executive Inspectors General. It is
20 declared to be in the public interest, safety, and welfare
21 that the Commission adopt emergency rules under the
22 Illinois Administrative Procedure Act to initially perform
23 its duties under this subsection.

24 (2) To conduct administrative hearings and rule on
25 matters brought before the Commission only upon the receipt

1 of pleadings filed by an Executive Inspector General and
2 not upon its own prerogative, but may appoint special
3 Executive Inspectors General as provided in Section 20-21.
4 Any other allegations of misconduct received by the
5 Commission from a person other than an Executive Inspector
6 General shall be referred to the Office of the appropriate
7 Executive Inspector General.

8 (3) To prepare and publish manuals and guides and,
9 working with the Office of the Attorney General, oversee
10 training of employees under its jurisdiction that explains
11 their duties.

12 (4) To prepare public information materials to
13 facilitate compliance, implementation, and enforcement of
14 this Act.

15 (5) To submit reports as required by this Act.

16 (6) To the extent authorized by this Act, to make
17 rulings, issue recommendations, and impose administrative
18 fines, if appropriate, in connection with the
19 implementation and interpretation of this Act. The powers
20 and duties of the Commission are limited to matters clearly
21 within the purview of this Act.

22 (7) To issue subpoenas with respect to matters pending
23 before the Commission, subject to the provisions of this
24 Article and in the discretion of the Commission, to compel
25 the attendance of witnesses for purposes of testimony and
26 the production of documents and other items for inspection

1 and copying.

2 (8) To appoint special Executive Inspectors General as
3 provided in Section 20-21.

4 (9) To review applications and appoint members to the
5 Nomination Panel established under the Illinois Gambling
6 Act.

7 (Source: P.A. 93-617, eff. 12-9-03.)

8 Section 10. The Executive Reorganization Implementation
9 Act is amended by changing Section 3.1 as follows:

10 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

11 Sec. 3.1. "Agency directly responsible to the Governor" or
12 "agency" means any office, officer, division, or part thereof,
13 and any other office, nonelective officer, department,
14 division, bureau, board, or commission in the executive branch
15 of State government, except that it does not apply to any
16 agency whose primary function is service to the General
17 Assembly or the Judicial Branch of State government, or to any
18 agency administered by the Attorney General, Secretary of
19 State, State Comptroller or State Treasurer. In addition the
20 term does not apply to the following agencies created by law
21 with the primary responsibility of exercising regulatory or
22 adjudicatory functions independently of the Governor:

23 (1) the State Board of Elections;

24 (2) the State Board of Education;

- 1 (3) the Illinois Commerce Commission;
- 2 (4) the Illinois Workers' Compensation Commission;
- 3 (5) the Civil Service Commission;
- 4 (6) the Fair Employment Practices Commission;
- 5 (7) the Pollution Control Board;
- 6 (8) the Department of State Police Merit Board;
- 7 (9) the Illinois Gaming Board;
- 8 (10) the Office of Gaming Enforcement; and
- 9 (11) the Illinois Racing Board.

10 (Source: P.A. 93-721, eff. 1-1-05.)

11 Section 15. The Alcoholism and Other Drug Abuse and
12 Dependency Act is amended by changing Section 5-20 as follows:

13 (20 ILCS 301/5-20)

14 Sec. 5-20. Compulsive gambling program.

15 (a) Subject to appropriation, the Department shall
16 establish a program for public education, research, and
17 training regarding problem and compulsive gambling and the
18 treatment and prevention of problem and compulsive gambling.
19 Subject to specific appropriation for these stated purposes,
20 the program must include all of the following:

21 (1) Establishment and maintenance of a toll-free "800"
22 telephone number to provide crisis counseling and referral
23 services to families experiencing difficulty as a result of
24 problem or compulsive gambling.

1 (2) Promotion of public awareness regarding the
2 recognition and prevention of problem and compulsive
3 gambling.

4 (3) Facilitation, through in-service training and
5 other means, of the availability of effective assistance
6 programs for problem and compulsive gamblers.

7 (4) Conducting studies to identify adults and
8 juveniles in this State who are, or who are at risk of
9 becoming, problem or compulsive gamblers.

10 (b) Subject to appropriation, the Department shall either
11 establish and maintain the program or contract with a private
12 or public entity for the establishment and maintenance of the
13 program. Subject to appropriation, either the Department or the
14 private or public entity shall implement the toll-free
15 telephone number, promote public awareness, and conduct
16 in-service training concerning problem and compulsive
17 gambling.

18 (c) Subject to appropriation, the Department shall produce
19 and supply the signs specified in Section 10.7 of the Illinois
20 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
21 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
22 of the Charitable Games Act, and Section 13.1 of the Illinois
23 ~~Riverboat~~ Gambling Act.

24 (Source: P.A. 89-374, eff. 1-1-96; 89-626, eff. 8-9-96.)

25 Section 20. The Department of Revenue Law of the Civil

1 Administrative Code of Illinois is amended by changing Section
2 2505-305 as follows:

3 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

4 Sec. 2505-305. Investigators.

5 (a) The Department has the power to appoint investigators
6 to conduct all investigations, searches, seizures, arrests,
7 and other duties imposed under the provisions of any law
8 administered by the Department ~~or the Illinois Gaming Board~~.
9 Except as provided in subsection (c), these investigators have
10 and may exercise all the powers of peace officers solely for
11 the purpose of enforcing taxing measures administered by the
12 Department ~~or the Illinois Gaming Board~~.

13 (b) The Director must authorize to each investigator
14 employed under this Section and to any other employee of the
15 Department exercising the powers of a peace officer a distinct
16 badge that, on its face, (i) clearly states that the badge is
17 authorized by the Department and (ii) contains a unique
18 identifying number. No other badge shall be authorized by the
19 Department.

20 ~~(c) Investigators appointed under this Section who are~~
21 ~~assigned to the Illinois Gaming Board have and may exercise all~~
22 ~~the rights and powers of peace officers, provided that these~~
23 ~~powers shall be limited to offenses or violations occurring or~~
24 ~~committed on a riverboat or dock, as defined in subsections (d)~~
25 ~~and (f) of Section 4 of the Riverboat Gambling Act.~~

1 (Source: P.A. 91-239, eff. 1-1-00; 91-883, eff. 1-1-01; 92-493,
2 eff. 1-1-02.)

3 Section 25. The State Finance Act is amended by changing
4 Section 8h as follows:

5 (30 ILCS 105/8h)

6 Sec. 8h. Transfers to General Revenue Fund.

7 (a) Except as otherwise provided in this Section and
8 Section 8n of this Act, and notwithstanding any other State law
9 to the contrary, the Governor may, through June 30, 2007, from
10 time to time direct the State Treasurer and Comptroller to
11 transfer a specified sum from any fund held by the State
12 Treasurer to the General Revenue Fund in order to help defray
13 the State's operating costs for the fiscal year. The total
14 transfer under this Section from any fund in any fiscal year
15 shall not exceed the lesser of (i) 8% of the revenues to be
16 deposited into the fund during that fiscal year or (ii) an
17 amount that leaves a remaining fund balance of 25% of the July
18 1 fund balance of that fiscal year. In fiscal year 2005 only,
19 prior to calculating the July 1, 2004 final balances, the
20 Governor may calculate and direct the State Treasurer with the
21 Comptroller to transfer additional amounts determined by
22 applying the formula authorized in Public Act 93-839 to the
23 funds balances on July 1, 2003. No transfer may be made from a
24 fund under this Section that would have the effect of reducing

1 the available balance in the fund to an amount less than the
2 amount remaining unexpended and unreserved from the total
3 appropriation from that fund estimated to be expended for that
4 fiscal year. This Section does not apply to any funds that are
5 restricted by federal law to a specific use, to any funds in
6 the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the
7 Hospital Provider Fund, the Medicaid Provider Relief Fund, the
8 Teacher Health Insurance Security Fund, the Reviewing Court
9 Alternative Dispute Resolution Fund, the Voters' Guide Fund,
10 the Foreign Language Interpreter Fund, the Lawyers' Assistance
11 Program Fund, the Supreme Court Federal Projects Fund, the
12 Supreme Court Special State Projects Fund, the Supplemental
13 Low-Income Energy Assistance Fund, the Good Samaritan Energy
14 Trust Fund, the Low-Level Radioactive Waste Facility
15 Development and Operation Fund, the Horse Racing Equity Trust
16 Fund, the Racing Industry Workers' Trust Fund, the Illinois
17 Equine Research Trust Fund, the Agricultural Premium Fund, the
18 Illinois Colt Stakes Purse Distribution Fund, the Horse Racing
19 Fund, the Illinois Thoroughbred Breeders Fund, the Illinois
20 Racing Quarter Horse Breeders Fund, the Illinois Standardbred
21 Breeders Fund, the Metabolic Screening and Treatment Fund, or
22 the Hospital Basic Services Preservation Fund, or to any funds
23 to which Section 70-50 of the Nurse Practice Act applies. No
24 transfers may be made under this Section from the Pet
25 Population Control Fund. Notwithstanding any other provision
26 of this Section, for fiscal year 2004, the total transfer under

1 this Section from the Road Fund or the State Construction
2 Account Fund shall not exceed the lesser of (i) 5% of the
3 revenues to be deposited into the fund during that fiscal year
4 or (ii) 25% of the beginning balance in the fund. For fiscal
5 year 2005 through fiscal year 2007, no amounts may be
6 transferred under this Section from the Road Fund, the State
7 Construction Account Fund, the Criminal Justice Information
8 Systems Trust Fund, the Wireless Service Emergency Fund, or the
9 Mandatory Arbitration Fund.

10 In determining the available balance in a fund, the
11 Governor may include receipts, transfers into the fund, and
12 other resources anticipated to be available in the fund in that
13 fiscal year.

14 The State Treasurer and Comptroller shall transfer the
15 amounts designated under this Section as soon as may be
16 practicable after receiving the direction to transfer from the
17 Governor.

18 (a-5) Transfers directed to be made under this Section on
19 or before February 28, 2006 that are still pending on May 19,
20 2006 (the effective date of Public Act 94-774) shall be
21 redirected as provided in Section 8n of this Act.

22 (b) This Section does not apply to: (i) the Ticket For The
23 Cure Fund; (ii) any fund established under the Community Senior
24 Services and Resources Act; or (iii) on or after January 1,
25 2006 (the effective date of Public Act 94-511), the Child Labor
26 and Day and Temporary Labor Enforcement Fund.

1 (c) This Section does not apply to the Demutualization
2 Trust Fund established under the Uniform Disposition of
3 Unclaimed Property Act.

4 (d) This Section does not apply to moneys set aside in the
5 Illinois State Podiatric Disciplinary Fund for podiatric
6 scholarships and residency programs under the Podiatric
7 Scholarship and Residency Act.

8 (e) Subsection (a) does not apply to, and no transfer may
9 be made under this Section from, the Pension Stabilization
10 Fund.

11 (f) Subsection (a) does not apply to, and no transfer may
12 be made under this Section from, the Illinois Power Agency
13 Operations Fund, the Illinois Power Agency Facilities Fund, the
14 Illinois Power Agency Debt Service Fund, and the Illinois Power
15 Agency Trust Fund.

16 (g) This Section does not apply to the Veterans Service
17 Organization Reimbursement Fund.

18 (h) This Section does not apply to the Supreme Court
19 Historic Preservation Fund.

20 (i) This Section does not apply to, and no transfer may be
21 made under this Section from, the Money Follows the Person
22 Budget Transfer Fund.

23 (Source: P.A. 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511,
24 eff. 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05;
25 94-645, eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff.
26 11-2-05; 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773,

1 eff. 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06;
2 94-839, eff. 6-6-06; 95-331, eff. 8-21-07; 95-410, eff.
3 8-24-07; 95-481, eff. 8-28-07; 95-629, eff. 9-25-07; 95-639,
4 eff. 10-5-07; 95-695, eff. 11-5-07; 95-744, eff. 7-18-08;
5 95-876, eff. 8-21-08.)

6 (30 ILCS 105/5.26 rep.)

7 (30 ILCS 105/5.26a rep.)

8 Section 30. The State Finance Act is amended by repealing
9 Sections 5.26 and 5.26a.

10 Section 35. The Illinois Income Tax Act is amended by
11 changing Section 201 as follows:

12 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

13 Sec. 201. Tax Imposed.

14 (a) In general. A tax measured by net income is hereby
15 imposed on every individual, corporation, trust and estate for
16 each taxable year ending after July 31, 1969 on the privilege
17 of earning or receiving income in or as a resident of this
18 State. Such tax shall be in addition to all other occupation or
19 privilege taxes imposed by this State or by any municipal
20 corporation or political subdivision thereof.

21 (b) Rates. The tax imposed by subsection (a) of this
22 Section shall be determined as follows, except as adjusted by
23 subsection (d-1):

1 (1) In the case of an individual, trust or estate, for
2 taxable years ending prior to July 1, 1989, an amount equal
3 to 2 1/2% of the taxpayer's net income for the taxable
4 year.

5 (2) In the case of an individual, trust or estate, for
6 taxable years beginning prior to July 1, 1989 and ending
7 after June 30, 1989, an amount equal to the sum of (i) 2
8 1/2% of the taxpayer's net income for the period prior to
9 July 1, 1989, as calculated under Section 202.3, and (ii)
10 3% of the taxpayer's net income for the period after June
11 30, 1989, as calculated under Section 202.3.

12 (3) In the case of an individual, trust or estate, for
13 taxable years beginning after June 30, 1989, an amount
14 equal to 3% of the taxpayer's net income for the taxable
15 year.

16 (4) (Blank).

17 (5) (Blank).

18 (6) In the case of a corporation, for taxable years
19 ending prior to July 1, 1989, an amount equal to 4% of the
20 taxpayer's net income for the taxable year.

21 (7) In the case of a corporation, for taxable years
22 beginning prior to July 1, 1989 and ending after June 30,
23 1989, an amount equal to the sum of (i) 4% of the
24 taxpayer's net income for the period prior to July 1, 1989,
25 as calculated under Section 202.3, and (ii) 4.8% of the
26 taxpayer's net income for the period after June 30, 1989,

1 as calculated under Section 202.3.

2 (8) In the case of a corporation, for taxable years
3 beginning after June 30, 1989, an amount equal to 4.8% of
4 the taxpayer's net income for the taxable year.

5 Surcharge; sale or exchange of assets, properties, and
6 intangibles of gaming licensees. For each of taxable years 2010
7 through 2019, a surcharge is imposed on all taxpayers on income
8 arising from the sale or exchange of capital assets,
9 depreciable business property, real property used in the trade
10 or business, and Section 197 intangibles (i) of an organization
11 licensee under the Illinois Horse Racing Act of 1975 and (ii)
12 of an owners licensee or an electronic gaming licensee under
13 the Illinois Gambling Act. The amount of the surcharge is equal
14 to the amount of federal income tax liability for the taxable
15 year attributable to those sales and exchanges. The Department
16 shall adopt rules necessary to implement and administer this
17 paragraph.

18 (c) Personal Property Tax Replacement Income Tax.
19 Beginning on July 1, 1979 and thereafter, in addition to such
20 income tax, there is also hereby imposed the Personal Property
21 Tax Replacement Income Tax measured by net income on every
22 corporation (including Subchapter S corporations), partnership
23 and trust, for each taxable year ending after June 30, 1979.
24 Such taxes are imposed on the privilege of earning or receiving
25 income in or as a resident of this State. The Personal Property
26 Tax Replacement Income Tax shall be in addition to the income

1 tax imposed by subsections (a) and (b) of this Section and in
2 addition to all other occupation or privilege taxes imposed by
3 this State or by any municipal corporation or political
4 subdivision thereof.

5 (d) Additional Personal Property Tax Replacement Income
6 Tax Rates. The personal property tax replacement income tax
7 imposed by this subsection and subsection (c) of this Section
8 in the case of a corporation, other than a Subchapter S
9 corporation and except as adjusted by subsection (d-1), shall
10 be an additional amount equal to 2.85% of such taxpayer's net
11 income for the taxable year, except that beginning on January
12 1, 1981, and thereafter, the rate of 2.85% specified in this
13 subsection shall be reduced to 2.5%, and in the case of a
14 partnership, trust or a Subchapter S corporation shall be an
15 additional amount equal to 1.5% of such taxpayer's net income
16 for the taxable year.

17 (d-1) Rate reduction for certain foreign insurers. In the
18 case of a foreign insurer, as defined by Section 35A-5 of the
19 Illinois Insurance Code, whose state or country of domicile
20 imposes on insurers domiciled in Illinois a retaliatory tax
21 (excluding any insurer whose premiums from reinsurance assumed
22 are 50% or more of its total insurance premiums as determined
23 under paragraph (2) of subsection (b) of Section 304, except
24 that for purposes of this determination premiums from
25 reinsurance do not include premiums from inter-affiliate
26 reinsurance arrangements), beginning with taxable years ending

1 on or after December 31, 1999, the sum of the rates of tax
2 imposed by subsections (b) and (d) shall be reduced (but not
3 increased) to the rate at which the total amount of tax imposed
4 under this Act, net of all credits allowed under this Act,
5 shall equal (i) the total amount of tax that would be imposed
6 on the foreign insurer's net income allocable to Illinois for
7 the taxable year by such foreign insurer's state or country of
8 domicile if that net income were subject to all income taxes
9 and taxes measured by net income imposed by such foreign
10 insurer's state or country of domicile, net of all credits
11 allowed or (ii) a rate of zero if no such tax is imposed on such
12 income by the foreign insurer's state of domicile. For the
13 purposes of this subsection (d-1), an inter-affiliate includes
14 a mutual insurer under common management.

15 (1) For the purposes of subsection (d-1), in no event
16 shall the sum of the rates of tax imposed by subsections
17 (b) and (d) be reduced below the rate at which the sum of:

18 (A) the total amount of tax imposed on such foreign
19 insurer under this Act for a taxable year, net of all
20 credits allowed under this Act, plus

21 (B) the privilege tax imposed by Section 409 of the
22 Illinois Insurance Code, the fire insurance company
23 tax imposed by Section 12 of the Fire Investigation
24 Act, and the fire department taxes imposed under
25 Section 11-10-1 of the Illinois Municipal Code,
26 equals 1.25% for taxable years ending prior to December 31,

1 2003, or 1.75% for taxable years ending on or after
2 December 31, 2003, of the net taxable premiums written for
3 the taxable year, as described by subsection (1) of Section
4 409 of the Illinois Insurance Code. This paragraph will in
5 no event increase the rates imposed under subsections (b)
6 and (d).

7 (2) Any reduction in the rates of tax imposed by this
8 subsection shall be applied first against the rates imposed
9 by subsection (b) and only after the tax imposed by
10 subsection (a) net of all credits allowed under this
11 Section other than the credit allowed under subsection (i)
12 has been reduced to zero, against the rates imposed by
13 subsection (d).

14 This subsection (d-1) is exempt from the provisions of
15 Section 250.

16 (e) Investment credit. A taxpayer shall be allowed a credit
17 against the Personal Property Tax Replacement Income Tax for
18 investment in qualified property.

19 (1) A taxpayer shall be allowed a credit equal to .5%
20 of the basis of qualified property placed in service during
21 the taxable year, provided such property is placed in
22 service on or after July 1, 1984. There shall be allowed an
23 additional credit equal to .5% of the basis of qualified
24 property placed in service during the taxable year,
25 provided such property is placed in service on or after
26 July 1, 1986, and the taxpayer's base employment within

1 Illinois has increased by 1% or more over the preceding
2 year as determined by the taxpayer's employment records
3 filed with the Illinois Department of Employment Security.
4 Taxpayers who are new to Illinois shall be deemed to have
5 met the 1% growth in base employment for the first year in
6 which they file employment records with the Illinois
7 Department of Employment Security. The provisions added to
8 this Section by Public Act 85-1200 (and restored by Public
9 Act 87-895) shall be construed as declaratory of existing
10 law and not as a new enactment. If, in any year, the
11 increase in base employment within Illinois over the
12 preceding year is less than 1%, the additional credit shall
13 be limited to that percentage times a fraction, the
14 numerator of which is .5% and the denominator of which is
15 1%, but shall not exceed .5%. The investment credit shall
16 not be allowed to the extent that it would reduce a
17 taxpayer's liability in any tax year below zero, nor may
18 any credit for qualified property be allowed for any year
19 other than the year in which the property was placed in
20 service in Illinois. For tax years ending on or after
21 December 31, 1987, and on or before December 31, 1988, the
22 credit shall be allowed for the tax year in which the
23 property is placed in service, or, if the amount of the
24 credit exceeds the tax liability for that year, whether it
25 exceeds the original liability or the liability as later
26 amended, such excess may be carried forward and applied to

1 the tax liability of the 5 taxable years following the
2 excess credit years if the taxpayer (i) makes investments
3 which cause the creation of a minimum of 2,000 full-time
4 equivalent jobs in Illinois, (ii) is located in an
5 enterprise zone established pursuant to the Illinois
6 Enterprise Zone Act and (iii) is certified by the
7 Department of Commerce and Community Affairs (now
8 Department of Commerce and Economic Opportunity) as
9 complying with the requirements specified in clause (i) and
10 (ii) by July 1, 1986. The Department of Commerce and
11 Community Affairs (now Department of Commerce and Economic
12 Opportunity) shall notify the Department of Revenue of all
13 such certifications immediately. For tax years ending
14 after December 31, 1988, the credit shall be allowed for
15 the tax year in which the property is placed in service,
16 or, if the amount of the credit exceeds the tax liability
17 for that year, whether it exceeds the original liability or
18 the liability as later amended, such excess may be carried
19 forward and applied to the tax liability of the 5 taxable
20 years following the excess credit years. The credit shall
21 be applied to the earliest year for which there is a
22 liability. If there is credit from more than one tax year
23 that is available to offset a liability, earlier credit
24 shall be applied first.

25 (2) The term "qualified property" means property
26 which:

1 (A) is tangible, whether new or used, including
2 buildings and structural components of buildings and
3 signs that are real property, but not including land or
4 improvements to real property that are not a structural
5 component of a building such as landscaping, sewer
6 lines, local access roads, fencing, parking lots, and
7 other appurtenances;

8 (B) is depreciable pursuant to Section 167 of the
9 Internal Revenue Code, except that "3-year property"
10 as defined in Section 168(c)(2)(A) of that Code is not
11 eligible for the credit provided by this subsection
12 (e);

13 (C) is acquired by purchase as defined in Section
14 179(d) of the Internal Revenue Code;

15 (D) is used in Illinois by a taxpayer who is
16 primarily engaged in manufacturing, or in mining coal
17 or fluorite, or in retailing, or was placed in service
18 on or after July 1, 2006 in a River Edge Redevelopment
19 Zone established pursuant to the River Edge
20 Redevelopment Zone Act; and

21 (E) has not previously been used in Illinois in
22 such a manner and by such a person as would qualify for
23 the credit provided by this subsection (e) or
24 subsection (f).

25 (3) For purposes of this subsection (e),
26 "manufacturing" means the material staging and production

1 of tangible personal property by procedures commonly
2 regarded as manufacturing, processing, fabrication, or
3 assembling which changes some existing material into new
4 shapes, new qualities, or new combinations. For purposes of
5 this subsection (e) the term "mining" shall have the same
6 meaning as the term "mining" in Section 613(c) of the
7 Internal Revenue Code. For purposes of this subsection (e),
8 the term "retailing" means the sale of tangible personal
9 property or services rendered in conjunction with the sale
10 of tangible consumer goods or commodities.

11 (4) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

14 (5) If the basis of the property for federal income tax
15 depreciation purposes is increased after it has been placed
16 in service in Illinois by the taxpayer, the amount of such
17 increase shall be deemed property placed in service on the
18 date of such increase in basis.

19 (6) The term "placed in service" shall have the same
20 meaning as under Section 46 of the Internal Revenue Code.

21 (7) If during any taxable year, any property ceases to
22 be qualified property in the hands of the taxpayer within
23 48 months after being placed in service, or the situs of
24 any qualified property is moved outside Illinois within 48
25 months after being placed in service, the Personal Property
26 Tax Replacement Income Tax for such taxable year shall be

1 increased. Such increase shall be determined by (i)
2 recomputing the investment credit which would have been
3 allowed for the year in which credit for such property was
4 originally allowed by eliminating such property from such
5 computation and, (ii) subtracting such recomputed credit
6 from the amount of credit previously allowed. For the
7 purposes of this paragraph (7), a reduction of the basis of
8 qualified property resulting from a redetermination of the
9 purchase price shall be deemed a disposition of qualified
10 property to the extent of such reduction.

11 (8) Unless the investment credit is extended by law,
12 the basis of qualified property shall not include costs
13 incurred after December 31, 2008, except for costs incurred
14 pursuant to a binding contract entered into on or before
15 December 31, 2008.

16 (9) Each taxable year ending before December 31, 2000,
17 a partnership may elect to pass through to its partners the
18 credits to which the partnership is entitled under this
19 subsection (e) for the taxable year. A partner may use the
20 credit allocated to him or her under this paragraph only
21 against the tax imposed in subsections (c) and (d) of this
22 Section. If the partnership makes that election, those
23 credits shall be allocated among the partners in the
24 partnership in accordance with the rules set forth in
25 Section 704(b) of the Internal Revenue Code, and the rules
26 promulgated under that Section, and the allocated amount of

1 the credits shall be allowed to the partners for that
2 taxable year. The partnership shall make this election on
3 its Personal Property Tax Replacement Income Tax return for
4 that taxable year. The election to pass through the credits
5 shall be irrevocable.

6 For taxable years ending on or after December 31, 2000,
7 a partner that qualifies its partnership for a subtraction
8 under subparagraph (I) of paragraph (2) of subsection (d)
9 of Section 203 or a shareholder that qualifies a Subchapter
10 S corporation for a subtraction under subparagraph (S) of
11 paragraph (2) of subsection (b) of Section 203 shall be
12 allowed a credit under this subsection (e) equal to its
13 share of the credit earned under this subsection (e) during
14 the taxable year by the partnership or Subchapter S
15 corporation, determined in accordance with the
16 determination of income and distributive share of income
17 under Sections 702 and 704 and Subchapter S of the Internal
18 Revenue Code. This paragraph is exempt from the provisions
19 of Section 250.

20 (f) Investment credit; Enterprise Zone; River Edge
21 Redevelopment Zone.

22 (1) A taxpayer shall be allowed a credit against the
23 tax imposed by subsections (a) and (b) of this Section for
24 investment in qualified property which is placed in service
25 in an Enterprise Zone created pursuant to the Illinois
26 Enterprise Zone Act or, for property placed in service on

1 or after July 1, 2006, a River Edge Redevelopment Zone
2 established pursuant to the River Edge Redevelopment Zone
3 Act. For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies,
5 if the liability company is treated as a partnership for
6 purposes of federal and State income taxation, there shall
7 be allowed a credit under this subsection (f) to be
8 determined in accordance with the determination of income
9 and distributive share of income under Sections 702 and 704
10 and Subchapter S of the Internal Revenue Code. The credit
11 shall be .5% of the basis for such property. The credit
12 shall be available only in the taxable year in which the
13 property is placed in service in the Enterprise Zone or
14 River Edge Redevelopment Zone and shall not be allowed to
15 the extent that it would reduce a taxpayer's liability for
16 the tax imposed by subsections (a) and (b) of this Section
17 to below zero. For tax years ending on or after December
18 31, 1985, the credit shall be allowed for the tax year in
19 which the property is placed in service, or, if the amount
20 of the credit exceeds the tax liability for that year,
21 whether it exceeds the original liability or the liability
22 as later amended, such excess may be carried forward and
23 applied to the tax liability of the 5 taxable years
24 following the excess credit year. The credit shall be
25 applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, the credit
2 accruing first in time shall be applied first.

3 (2) The term qualified property means property which:

4 (A) is tangible, whether new or used, including
5 buildings and structural components of buildings;

6 (B) is depreciable pursuant to Section 167 of the
7 Internal Revenue Code, except that "3-year property"
8 as defined in Section 168(c)(2)(A) of that Code is not
9 eligible for the credit provided by this subsection
10 (f);

11 (C) is acquired by purchase as defined in Section
12 179(d) of the Internal Revenue Code;

13 (D) is used in the Enterprise Zone or River Edge
14 Redevelopment Zone by the taxpayer; and

15 (E) has not been previously used in Illinois in
16 such a manner and by such a person as would qualify for
17 the credit provided by this subsection (f) or
18 subsection (e).

19 (3) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (4) If the basis of the property for federal income tax
23 depreciation purposes is increased after it has been placed
24 in service in the Enterprise Zone or River Edge
25 Redevelopment Zone by the taxpayer, the amount of such
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

2 (5) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (6) If during any taxable year, any property ceases to
5 be qualified property in the hands of the taxpayer within
6 48 months after being placed in service, or the situs of
7 any qualified property is moved outside the Enterprise Zone
8 or River Edge Redevelopment Zone within 48 months after
9 being placed in service, the tax imposed under subsections
10 (a) and (b) of this Section for such taxable year shall be
11 increased. Such increase shall be determined by (i)
12 recomputing the investment credit which would have been
13 allowed for the year in which credit for such property was
14 originally allowed by eliminating such property from such
15 computation, and (ii) subtracting such recomputed credit
16 from the amount of credit previously allowed. For the
17 purposes of this paragraph (6), a reduction of the basis of
18 qualified property resulting from a redetermination of the
19 purchase price shall be deemed a disposition of qualified
20 property to the extent of such reduction.

21 (7) There shall be allowed an additional credit equal
22 to 0.5% of the basis of qualified property placed in
23 service during the taxable year in a River Edge
24 Redevelopment Zone, provided such property is placed in
25 service on or after July 1, 2006, and the taxpayer's base
26 employment within Illinois has increased by 1% or more over

1 the preceding year as determined by the taxpayer's
2 employment records filed with the Illinois Department of
3 Employment Security. Taxpayers who are new to Illinois
4 shall be deemed to have met the 1% growth in base
5 employment for the first year in which they file employment
6 records with the Illinois Department of Employment
7 Security. If, in any year, the increase in base employment
8 within Illinois over the preceding year is less than 1%,
9 the additional credit shall be limited to that percentage
10 times a fraction, the numerator of which is 0.5% and the
11 denominator of which is 1%, but shall not exceed 0.5%.

12 (g) Jobs Tax Credit; Enterprise Zone, River Edge
13 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

14 (1) A taxpayer conducting a trade or business in an
15 enterprise zone or a High Impact Business designated by the
16 Department of Commerce and Economic Opportunity or for
17 taxable years ending on or after December 31, 2006, in a
18 River Edge Redevelopment Zone conducting a trade or
19 business in a federally designated Foreign Trade Zone or
20 Sub-Zone shall be allowed a credit against the tax imposed
21 by subsections (a) and (b) of this Section in the amount of
22 \$500 per eligible employee hired to work in the zone during
23 the taxable year.

24 (2) To qualify for the credit:

25 (A) the taxpayer must hire 5 or more eligible
26 employees to work in an enterprise zone, River Edge

1 Redevelopment Zone, or federally designated Foreign
2 Trade Zone or Sub-Zone during the taxable year;

3 (B) the taxpayer's total employment within the
4 enterprise zone, River Edge Redevelopment Zone, or
5 federally designated Foreign Trade Zone or Sub-Zone
6 must increase by 5 or more full-time employees beyond
7 the total employed in that zone at the end of the
8 previous tax year for which a jobs tax credit under
9 this Section was taken, or beyond the total employed by
10 the taxpayer as of December 31, 1985, whichever is
11 later; and

12 (C) the eligible employees must be employed 180
13 consecutive days in order to be deemed hired for
14 purposes of this subsection.

15 (3) An "eligible employee" means an employee who is:

16 (A) Certified by the Department of Commerce and
17 Economic Opportunity as "eligible for services"
18 pursuant to regulations promulgated in accordance with
19 Title II of the Job Training Partnership Act, Training
20 Services for the Disadvantaged or Title III of the Job
21 Training Partnership Act, Employment and Training
22 Assistance for Dislocated Workers Program.

23 (B) Hired after the enterprise zone, River Edge
24 Redevelopment Zone, or federally designated Foreign
25 Trade Zone or Sub-Zone was designated or the trade or
26 business was located in that zone, whichever is later.

1 (C) Employed in the enterprise zone, River Edge
2 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.

3 An employee is employed in an enterprise zone or
4 federally designated Foreign Trade Zone or Sub-Zone if
5 his services are rendered there or it is the base of
6 operations for the services performed.

7 (D) A full-time employee working 30 or more hours
8 per week.

9 (4) For tax years ending on or after December 31, 1985
10 and prior to December 31, 1988, the credit shall be allowed
11 for the tax year in which the eligible employees are hired.
12 For tax years ending on or after December 31, 1988, the
13 credit shall be allowed for the tax year immediately
14 following the tax year in which the eligible employees are
15 hired. If the amount of the credit exceeds the tax
16 liability for that year, whether it exceeds the original
17 liability or the liability as later amended, such excess
18 may be carried forward and applied to the tax liability of
19 the 5 taxable years following the excess credit year. The
20 credit shall be applied to the earliest year for which
21 there is a liability. If there is credit from more than one
22 tax year that is available to offset a liability, earlier
23 credit shall be applied first.

24 (5) The Department of Revenue shall promulgate such
25 rules and regulations as may be deemed necessary to carry
26 out the purposes of this subsection (g).

1 (6) The credit shall be available for eligible
2 employees hired on or after January 1, 1986.

3 (h) Investment credit; High Impact Business.

4 (1) Subject to subsections (b) and (b-5) of Section 5.5
5 of the Illinois Enterprise Zone Act, a taxpayer shall be
6 allowed a credit against the tax imposed by subsections (a)
7 and (b) of this Section for investment in qualified
8 property which is placed in service by a Department of
9 Commerce and Economic Opportunity designated High Impact
10 Business. The credit shall be .5% of the basis for such
11 property. The credit shall not be available (i) until the
12 minimum investments in qualified property set forth in
13 subdivision (a)(3)(A) of Section 5.5 of the Illinois
14 Enterprise Zone Act have been satisfied or (ii) until the
15 time authorized in subsection (b-5) of the Illinois
16 Enterprise Zone Act for entities designated as High Impact
17 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
18 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
19 Act, and shall not be allowed to the extent that it would
20 reduce a taxpayer's liability for the tax imposed by
21 subsections (a) and (b) of this Section to below zero. The
22 credit applicable to such investments shall be taken in the
23 taxable year in which such investments have been completed.
24 The credit for additional investments beyond the minimum
25 investment by a designated high impact business authorized
26 under subdivision (a)(3)(A) of Section 5.5 of the Illinois

1 Enterprise Zone Act shall be available only in the taxable
2 year in which the property is placed in service and shall
3 not be allowed to the extent that it would reduce a
4 taxpayer's liability for the tax imposed by subsections (a)
5 and (b) of this Section to below zero. For tax years ending
6 on or after December 31, 1987, the credit shall be allowed
7 for the tax year in which the property is placed in
8 service, or, if the amount of the credit exceeds the tax
9 liability for that year, whether it exceeds the original
10 liability or the liability as later amended, such excess
11 may be carried forward and applied to the tax liability of
12 the 5 taxable years following the excess credit year. The
13 credit shall be applied to the earliest year for which
14 there is a liability. If there is credit from more than one
15 tax year that is available to offset a liability, the
16 credit accruing first in time shall be applied first.

17 Changes made in this subdivision (h) (1) by Public Act
18 88-670 restore changes made by Public Act 85-1182 and
19 reflect existing law.

20 (2) The term qualified property means property which:

21 (A) is tangible, whether new or used, including
22 buildings and structural components of buildings;

23 (B) is depreciable pursuant to Section 167 of the
24 Internal Revenue Code, except that "3-year property"
25 as defined in Section 168(c) (2) (A) of that Code is not
26 eligible for the credit provided by this subsection

1 (h);

2 (C) is acquired by purchase as defined in Section
3 179(d) of the Internal Revenue Code; and

4 (D) is not eligible for the Enterprise Zone
5 Investment Credit provided by subsection (f) of this
6 Section.

7 (3) The basis of qualified property shall be the basis
8 used to compute the depreciation deduction for federal
9 income tax purposes.

10 (4) If the basis of the property for federal income tax
11 depreciation purposes is increased after it has been placed
12 in service in a federally designated Foreign Trade Zone or
13 Sub-Zone located in Illinois by the taxpayer, the amount of
14 such increase shall be deemed property placed in service on
15 the date of such increase in basis.

16 (5) The term "placed in service" shall have the same
17 meaning as under Section 46 of the Internal Revenue Code.

18 (6) If during any taxable year ending on or before
19 December 31, 1996, any property ceases to be qualified
20 property in the hands of the taxpayer within 48 months
21 after being placed in service, or the situs of any
22 qualified property is moved outside Illinois within 48
23 months after being placed in service, the tax imposed under
24 subsections (a) and (b) of this Section for such taxable
25 year shall be increased. Such increase shall be determined
26 by (i) recomputing the investment credit which would have

1 been allowed for the year in which credit for such property
2 was originally allowed by eliminating such property from
3 such computation, and (ii) subtracting such recomputed
4 credit from the amount of credit previously allowed. For
5 the purposes of this paragraph (6), a reduction of the
6 basis of qualified property resulting from a
7 redetermination of the purchase price shall be deemed a
8 disposition of qualified property to the extent of such
9 reduction.

10 (7) Beginning with tax years ending after December 31,
11 1996, if a taxpayer qualifies for the credit under this
12 subsection (h) and thereby is granted a tax abatement and
13 the taxpayer relocates its entire facility in violation of
14 the explicit terms and length of the contract under Section
15 18-183 of the Property Tax Code, the tax imposed under
16 subsections (a) and (b) of this Section shall be increased
17 for the taxable year in which the taxpayer relocated its
18 facility by an amount equal to the amount of credit
19 received by the taxpayer under this subsection (h).

20 (i) Credit for Personal Property Tax Replacement Income
21 Tax. For tax years ending prior to December 31, 2003, a credit
22 shall be allowed against the tax imposed by subsections (a) and
23 (b) of this Section for the tax imposed by subsections (c) and
24 (d) of this Section. This credit shall be computed by
25 multiplying the tax imposed by subsections (c) and (d) of this
26 Section by a fraction, the numerator of which is base income

1 allocable to Illinois and the denominator of which is Illinois
2 base income, and further multiplying the product by the tax
3 rate imposed by subsections (a) and (b) of this Section.

4 Any credit earned on or after December 31, 1986 under this
5 subsection which is unused in the year the credit is computed
6 because it exceeds the tax liability imposed by subsections (a)
7 and (b) for that year (whether it exceeds the original
8 liability or the liability as later amended) may be carried
9 forward and applied to the tax liability imposed by subsections
10 (a) and (b) of the 5 taxable years following the excess credit
11 year, provided that no credit may be carried forward to any
12 year ending on or after December 31, 2003. This credit shall be
13 applied first to the earliest year for which there is a
14 liability. If there is a credit under this subsection from more
15 than one tax year that is available to offset a liability the
16 earliest credit arising under this subsection shall be applied
17 first.

18 If, during any taxable year ending on or after December 31,
19 1986, the tax imposed by subsections (c) and (d) of this
20 Section for which a taxpayer has claimed a credit under this
21 subsection (i) is reduced, the amount of credit for such tax
22 shall also be reduced. Such reduction shall be determined by
23 recomputing the credit to take into account the reduced tax
24 imposed by subsections (c) and (d). If any portion of the
25 reduced amount of credit has been carried to a different
26 taxable year, an amended return shall be filed for such taxable

1 year to reduce the amount of credit claimed.

2 (j) Training expense credit. Beginning with tax years
3 ending on or after December 31, 1986 and prior to December 31,
4 2003, a taxpayer shall be allowed a credit against the tax
5 imposed by subsections (a) and (b) under this Section for all
6 amounts paid or accrued, on behalf of all persons employed by
7 the taxpayer in Illinois or Illinois residents employed outside
8 of Illinois by a taxpayer, for educational or vocational
9 training in semi-technical or technical fields or semi-skilled
10 or skilled fields, which were deducted from gross income in the
11 computation of taxable income. The credit against the tax
12 imposed by subsections (a) and (b) shall be 1.6% of such
13 training expenses. For partners, shareholders of subchapter S
14 corporations, and owners of limited liability companies, if the
15 liability company is treated as a partnership for purposes of
16 federal and State income taxation, there shall be allowed a
17 credit under this subsection (j) to be determined in accordance
18 with the determination of income and distributive share of
19 income under Sections 702 and 704 and subchapter S of the
20 Internal Revenue Code.

21 Any credit allowed under this subsection which is unused in
22 the year the credit is earned may be carried forward to each of
23 the 5 taxable years following the year for which the credit is
24 first computed until it is used. This credit shall be applied
25 first to the earliest year for which there is a liability. If
26 there is a credit under this subsection from more than one tax

1 year that is available to offset a liability the earliest
2 credit arising under this subsection shall be applied first. No
3 carryforward credit may be claimed in any tax year ending on or
4 after December 31, 2003.

5 (k) Research and development credit.

6 For tax years ending after July 1, 1990 and prior to
7 December 31, 2003, and beginning again for tax years ending on
8 or after December 31, 2004, a taxpayer shall be allowed a
9 credit against the tax imposed by subsections (a) and (b) of
10 this Section for increasing research activities in this State.
11 The credit allowed against the tax imposed by subsections (a)
12 and (b) shall be equal to 6 1/2% of the qualifying expenditures
13 for increasing research activities in this State. For partners,
14 shareholders of subchapter S corporations, and owners of
15 limited liability companies, if the liability company is
16 treated as a partnership for purposes of federal and State
17 income taxation, there shall be allowed a credit under this
18 subsection to be determined in accordance with the
19 determination of income and distributive share of income under
20 Sections 702 and 704 and subchapter S of the Internal Revenue
21 Code.

22 For purposes of this subsection, "qualifying expenditures"
23 means the qualifying expenditures as defined for the federal
24 credit for increasing research activities which would be
25 allowable under Section 41 of the Internal Revenue Code and
26 which are conducted in this State, "qualifying expenditures for

1 increasing research activities in this State" means the excess
2 of qualifying expenditures for the taxable year in which
3 incurred over qualifying expenditures for the base period,
4 "qualifying expenditures for the base period" means the average
5 of the qualifying expenditures for each year in the base
6 period, and "base period" means the 3 taxable years immediately
7 preceding the taxable year for which the determination is being
8 made.

9 Any credit in excess of the tax liability for the taxable
10 year may be carried forward. A taxpayer may elect to have the
11 unused credit shown on its final completed return carried over
12 as a credit against the tax liability for the following 5
13 taxable years or until it has been fully used, whichever occurs
14 first; provided that no credit earned in a tax year ending
15 prior to December 31, 2003 may be carried forward to any year
16 ending on or after December 31, 2003.

17 If an unused credit is carried forward to a given year from
18 2 or more earlier years, that credit arising in the earliest
19 year will be applied first against the tax liability for the
20 given year. If a tax liability for the given year still
21 remains, the credit from the next earliest year will then be
22 applied, and so on, until all credits have been used or no tax
23 liability for the given year remains. Any remaining unused
24 credit or credits then will be carried forward to the next
25 following year in which a tax liability is incurred, except
26 that no credit can be carried forward to a year which is more

1 than 5 years after the year in which the expense for which the
2 credit is given was incurred.

3 No inference shall be drawn from this amendatory Act of the
4 91st General Assembly in construing this Section for taxable
5 years beginning before January 1, 1999.

6 (1) Environmental Remediation Tax Credit.

7 (i) For tax years ending after December 31, 1997 and on
8 or before December 31, 2001, a taxpayer shall be allowed a
9 credit against the tax imposed by subsections (a) and (b)
10 of this Section for certain amounts paid for unreimbursed
11 eligible remediation costs, as specified in this
12 subsection. For purposes of this Section, "unreimbursed
13 eligible remediation costs" means costs approved by the
14 Illinois Environmental Protection Agency ("Agency") under
15 Section 58.14 of the Environmental Protection Act that were
16 paid in performing environmental remediation at a site for
17 which a No Further Remediation Letter was issued by the
18 Agency and recorded under Section 58.10 of the
19 Environmental Protection Act. The credit must be claimed
20 for the taxable year in which Agency approval of the
21 eligible remediation costs is granted. The credit is not
22 available to any taxpayer if the taxpayer or any related
23 party caused or contributed to, in any material respect, a
24 release of regulated substances on, in, or under the site
25 that was identified and addressed by the remedial action
26 pursuant to the Site Remediation Program of the

1 Environmental Protection Act. After the Pollution Control
2 Board rules are adopted pursuant to the Illinois
3 Administrative Procedure Act for the administration and
4 enforcement of Section 58.9 of the Environmental
5 Protection Act, determinations as to credit availability
6 for purposes of this Section shall be made consistent with
7 those rules. For purposes of this Section, "taxpayer"
8 includes a person whose tax attributes the taxpayer has
9 succeeded to under Section 381 of the Internal Revenue Code
10 and "related party" includes the persons disallowed a
11 deduction for losses by paragraphs (b), (c), and (f)(1) of
12 Section 267 of the Internal Revenue Code by virtue of being
13 a related taxpayer, as well as any of its partners. The
14 credit allowed against the tax imposed by subsections (a)
15 and (b) shall be equal to 25% of the unreimbursed eligible
16 remediation costs in excess of \$100,000 per site, except
17 that the \$100,000 threshold shall not apply to any site
18 contained in an enterprise zone as determined by the
19 Department of Commerce and Community Affairs (now
20 Department of Commerce and Economic Opportunity). The
21 total credit allowed shall not exceed \$40,000 per year with
22 a maximum total of \$150,000 per site. For partners and
23 shareholders of subchapter S corporations, there shall be
24 allowed a credit under this subsection to be determined in
25 accordance with the determination of income and
26 distributive share of income under Sections 702 and 704 and

1 subchapter S of the Internal Revenue Code.

2 (ii) A credit allowed under this subsection that is
3 unused in the year the credit is earned may be carried
4 forward to each of the 5 taxable years following the year
5 for which the credit is first earned until it is used. The
6 term "unused credit" does not include any amounts of
7 unreimbursed eligible remediation costs in excess of the
8 maximum credit per site authorized under paragraph (i).
9 This credit shall be applied first to the earliest year for
10 which there is a liability. If there is a credit under this
11 subsection from more than one tax year that is available to
12 offset a liability, the earliest credit arising under this
13 subsection shall be applied first. A credit allowed under
14 this subsection may be sold to a buyer as part of a sale of
15 all or part of the remediation site for which the credit
16 was granted. The purchaser of a remediation site and the
17 tax credit shall succeed to the unused credit and remaining
18 carry-forward period of the seller. To perfect the
19 transfer, the assignor shall record the transfer in the
20 chain of title for the site and provide written notice to
21 the Director of the Illinois Department of Revenue of the
22 assignor's intent to sell the remediation site and the
23 amount of the tax credit to be transferred as a portion of
24 the sale. In no event may a credit be transferred to any
25 taxpayer if the taxpayer or a related party would not be
26 eligible under the provisions of subsection (i).

1 (iii) For purposes of this Section, the term "site"
2 shall have the same meaning as under Section 58.2 of the
3 Environmental Protection Act.

4 (m) Education expense credit. Beginning with tax years
5 ending after December 31, 1999, a taxpayer who is the custodian
6 of one or more qualifying pupils shall be allowed a credit
7 against the tax imposed by subsections (a) and (b) of this
8 Section for qualified education expenses incurred on behalf of
9 the qualifying pupils. The credit shall be equal to 25% of
10 qualified education expenses, but in no event may the total
11 credit under this subsection claimed by a family that is the
12 custodian of qualifying pupils exceed \$500. In no event shall a
13 credit under this subsection reduce the taxpayer's liability
14 under this Act to less than zero. This subsection is exempt
15 from the provisions of Section 250 of this Act.

16 For purposes of this subsection:

17 "Qualifying pupils" means individuals who (i) are
18 residents of the State of Illinois, (ii) are under the age of
19 21 at the close of the school year for which a credit is
20 sought, and (iii) during the school year for which a credit is
21 sought were full-time pupils enrolled in a kindergarten through
22 twelfth grade education program at any school, as defined in
23 this subsection.

24 "Qualified education expense" means the amount incurred on
25 behalf of a qualifying pupil in excess of \$250 for tuition,
26 book fees, and lab fees at the school in which the pupil is

1 enrolled during the regular school year.

2 "School" means any public or nonpublic elementary or
3 secondary school in Illinois that is in compliance with Title
4 VI of the Civil Rights Act of 1964 and attendance at which
5 satisfies the requirements of Section 26-1 of the School Code,
6 except that nothing shall be construed to require a child to
7 attend any particular public or nonpublic school to qualify for
8 the credit under this Section.

9 "Custodian" means, with respect to qualifying pupils, an
10 Illinois resident who is a parent, the parents, a legal
11 guardian, or the legal guardians of the qualifying pupils.

12 (n) River Edge Redevelopment Zone site remediation tax
13 credit.

14 (i) For tax years ending on or after December 31, 2006,
15 a taxpayer shall be allowed a credit against the tax
16 imposed by subsections (a) and (b) of this Section for
17 certain amounts paid for unreimbursed eligible remediation
18 costs, as specified in this subsection. For purposes of
19 this Section, "unreimbursed eligible remediation costs"
20 means costs approved by the Illinois Environmental
21 Protection Agency ("Agency") under Section 58.14a of the
22 Environmental Protection Act that were paid in performing
23 environmental remediation at a site within a River Edge
24 Redevelopment Zone for which a No Further Remediation
25 Letter was issued by the Agency and recorded under Section
26 58.10 of the Environmental Protection Act. The credit must

1 be claimed for the taxable year in which Agency approval of
2 the eligible remediation costs is granted. The credit is
3 not available to any taxpayer if the taxpayer or any
4 related party caused or contributed to, in any material
5 respect, a release of regulated substances on, in, or under
6 the site that was identified and addressed by the remedial
7 action pursuant to the Site Remediation Program of the
8 Environmental Protection Act. Determinations as to credit
9 availability for purposes of this Section shall be made
10 consistent with rules adopted by the Pollution Control
11 Board pursuant to the Illinois Administrative Procedure
12 Act for the administration and enforcement of Section 58.9
13 of the Environmental Protection Act. For purposes of this
14 Section, "taxpayer" includes a person whose tax attributes
15 the taxpayer has succeeded to under Section 381 of the
16 Internal Revenue Code and "related party" includes the
17 persons disallowed a deduction for losses by paragraphs
18 (b), (c), and (f)(1) of Section 267 of the Internal Revenue
19 Code by virtue of being a related taxpayer, as well as any
20 of its partners. The credit allowed against the tax imposed
21 by subsections (a) and (b) shall be equal to 25% of the
22 unreimbursed eligible remediation costs in excess of
23 \$100,000 per site.

24 (ii) A credit allowed under this subsection that is
25 unused in the year the credit is earned may be carried
26 forward to each of the 5 taxable years following the year

1 for which the credit is first earned until it is used. This
2 credit shall be applied first to the earliest year for
3 which there is a liability. If there is a credit under this
4 subsection from more than one tax year that is available to
5 offset a liability, the earliest credit arising under this
6 subsection shall be applied first. A credit allowed under
7 this subsection may be sold to a buyer as part of a sale of
8 all or part of the remediation site for which the credit
9 was granted. The purchaser of a remediation site and the
10 tax credit shall succeed to the unused credit and remaining
11 carry-forward period of the seller. To perfect the
12 transfer, the assignor shall record the transfer in the
13 chain of title for the site and provide written notice to
14 the Director of the Illinois Department of Revenue of the
15 assignor's intent to sell the remediation site and the
16 amount of the tax credit to be transferred as a portion of
17 the sale. In no event may a credit be transferred to any
18 taxpayer if the taxpayer or a related party would not be
19 eligible under the provisions of subsection (i).

20 (iii) For purposes of this Section, the term "site"
21 shall have the same meaning as under Section 58.2 of the
22 Environmental Protection Act.

23 (iv) This subsection is exempt from the provisions of
24 Section 250.

25 (Source: P.A. 94-1021, eff. 7-12-06; 95-454, eff. 8-27-07.)

1 Section 40. The Illinois Pension Code is amended by
2 changing Sections 14-110, 14-111, 14-152.1, 18-127, and 18-169
3 as follows:

4 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

5 Sec. 14-110. Alternative retirement annuity.

6 (a) Any member who has withdrawn from service with not less
7 than 20 years of eligible creditable service and has attained
8 age 55, and any member who has withdrawn from service with not
9 less than 25 years of eligible creditable service and has
10 attained age 50, regardless of whether the attainment of either
11 of the specified ages occurs while the member is still in
12 service, shall be entitled to receive at the option of the
13 member, in lieu of the regular or minimum retirement annuity, a
14 retirement annuity computed as follows:

15 (i) for periods of service as a noncovered employee: if
16 retirement occurs on or after January 1, 2001, 3% of final
17 average compensation for each year of creditable service;
18 if retirement occurs before January 1, 2001, 2 1/4% of
19 final average compensation for each of the first 10 years
20 of creditable service, 2 1/2% for each year above 10 years
21 to and including 20 years of creditable service, and 2 3/4%
22 for each year of creditable service above 20 years; and

23 (ii) for periods of eligible creditable service as a
24 covered employee: if retirement occurs on or after January
25 1, 2001, 2.5% of final average compensation for each year

1 of creditable service; if retirement occurs before January
2 1, 2001, 1.67% of final average compensation for each of
3 the first 10 years of such service, 1.90% for each of the
4 next 10 years of such service, 2.10% for each year of such
5 service in excess of 20 but not exceeding 30, and 2.30% for
6 each year in excess of 30.

7 Such annuity shall be subject to a maximum of 75% of final
8 average compensation if retirement occurs before January 1,
9 2001 or to a maximum of 80% of final average compensation if
10 retirement occurs on or after January 1, 2001.

11 These rates shall not be applicable to any service
12 performed by a member as a covered employee which is not
13 eligible creditable service. Service as a covered employee
14 which is not eligible creditable service shall be subject to
15 the rates and provisions of Section 14-108.

16 (b) For the purpose of this Section, "eligible creditable
17 service" means creditable service resulting from service in one
18 or more of the following positions:

- 19 (1) State policeman;
- 20 (2) fire fighter in the fire protection service of a
21 department;
- 22 (3) air pilot;
- 23 (4) special agent;
- 24 (5) investigator for the Secretary of State;
- 25 (6) conservation police officer;
- 26 (7) investigator for the Department of Revenue;

1 (7.5) investigator for the Office of Gaming
2 Enforcement;

3 (8) security employee of the Department of Human
4 Services;

5 (9) Central Management Services security police
6 officer;

7 (10) security employee of the Department of
8 Corrections or the Department of Juvenile Justice;

9 (11) dangerous drugs investigator;

10 (12) investigator for the Department of State Police;

11 (13) investigator for the Office of the Attorney
12 General;

13 (14) controlled substance inspector;

14 (15) investigator for the Office of the State's
15 Attorneys Appellate Prosecutor;

16 (16) Commerce Commission police officer;

17 (17) arson investigator;

18 (18) State highway maintenance worker.

19 A person employed in one of the positions specified in this
20 subsection is entitled to eligible creditable service for
21 service credit earned under this Article while undergoing the
22 basic police training course approved by the Illinois Law
23 Enforcement Training Standards Board, if completion of that
24 training is required of persons serving in that position. For
25 the purposes of this Code, service during the required basic
26 police training course shall be deemed performance of the

1 duties of the specified position, even though the person is not
2 a sworn peace officer at the time of the training.

3 (c) For the purposes of this Section:

4 (1) The term "state policeman" includes any title or
5 position in the Department of State Police that is held by
6 an individual employed under the State Police Act.

7 (2) The term "fire fighter in the fire protection
8 service of a department" includes all officers in such fire
9 protection service including fire chiefs and assistant
10 fire chiefs.

11 (3) The term "air pilot" includes any employee whose
12 official job description on file in the Department of
13 Central Management Services, or in the department by which
14 he is employed if that department is not covered by the
15 Personnel Code, states that his principal duty is the
16 operation of aircraft, and who possesses a pilot's license;
17 however, the change in this definition made by this
18 amendatory Act of 1983 shall not operate to exclude any
19 noncovered employee who was an "air pilot" for the purposes
20 of this Section on January 1, 1984.

21 (4) The term "special agent" means any person who by
22 reason of employment by the Division of Narcotic Control,
23 the Bureau of Investigation or, after July 1, 1977, the
24 Division of Criminal Investigation, the Division of
25 Internal Investigation, the Division of Operations, or any
26 other Division or organizational entity in the Department

1 of State Police is vested by law with duties to maintain
2 public order, investigate violations of the criminal law of
3 this State, enforce the laws of this State, make arrests
4 and recover property. The term "special agent" includes any
5 title or position in the Department of State Police that is
6 held by an individual employed under the State Police Act.

7 (5) The term "investigator for the Secretary of State"
8 means any person employed by the Office of the Secretary of
9 State and vested with such investigative duties as render
10 him ineligible for coverage under the Social Security Act
11 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
12 218(1)(1) of that Act.

13 A person who became employed as an investigator for the
14 Secretary of State between January 1, 1967 and December 31,
15 1975, and who has served as such until attainment of age
16 60, either continuously or with a single break in service
17 of not more than 3 years duration, which break terminated
18 before January 1, 1976, shall be entitled to have his
19 retirement annuity calculated in accordance with
20 subsection (a), notwithstanding that he has less than 20
21 years of credit for such service.

22 (6) The term "Conservation Police Officer" means any
23 person employed by the Division of Law Enforcement of the
24 Department of Natural Resources and vested with such law
25 enforcement duties as render him ineligible for coverage
26 under the Social Security Act by reason of Sections

1 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
2 term "Conservation Police Officer" includes the positions
3 of Chief Conservation Police Administrator and Assistant
4 Conservation Police Administrator.

5 (7) The term "investigator for the Department of
6 Revenue" means any person employed by the Department of
7 Revenue and vested with such investigative duties as render
8 him ineligible for coverage under the Social Security Act
9 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
10 218(1)(1) of that Act.

11 (7.5) The term "investigator for the Office of Gaming
12 Enforcement" means any person employed as such by the
13 Office of Gaming Enforcement and vested with such peace
14 officer duties as render the person ineligible for coverage
15 under the Social Security Act by reason of Sections
16 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

17 (8) The term "security employee of the Department of
18 Human Services" means any person employed by the Department
19 of Human Services who (i) is employed at the Chester Mental
20 Health Center and has daily contact with the residents
21 thereof, (ii) is employed within a security unit at a
22 facility operated by the Department and has daily contact
23 with the residents of the security unit, (iii) is employed
24 at a facility operated by the Department that includes a
25 security unit and is regularly scheduled to work at least
26 50% of his or her working hours within that security unit,

1 or (iv) is a mental health police officer. "Mental health
2 police officer" means any person employed by the Department
3 of Human Services in a position pertaining to the
4 Department's mental health and developmental disabilities
5 functions who is vested with such law enforcement duties as
6 render the person ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
9 means that portion of a facility that is devoted to the
10 care, containment, and treatment of persons committed to
11 the Department of Human Services as sexually violent
12 persons, persons unfit to stand trial, or persons not
13 guilty by reason of insanity. With respect to past
14 employment, references to the Department of Human Services
15 include its predecessor, the Department of Mental Health
16 and Developmental Disabilities.

17 The changes made to this subdivision (c)(8) by Public
18 Act 92-14 apply to persons who retire on or after January
19 1, 2001, notwithstanding Section 1-103.1.

20 (9) "Central Management Services security police
21 officer" means any person employed by the Department of
22 Central Management Services who is vested with such law
23 enforcement duties as render him ineligible for coverage
24 under the Social Security Act by reason of Sections
25 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

26 (10) For a member who first became an employee under

1 this Article before July 1, 2005, the term "security
2 employee of the Department of Corrections or the Department
3 of Juvenile Justice" means any employee of the Department
4 of Corrections or the Department of Juvenile Justice or the
5 former Department of Personnel, and any member or employee
6 of the Prisoner Review Board, who has daily contact with
7 inmates or youth by working within a correctional facility
8 or Juvenile facility operated by the Department of Juvenile
9 Justice or who is a parole officer or an employee who has
10 direct contact with committed persons in the performance of
11 his or her job duties. For a member who first becomes an
12 employee under this Article on or after July 1, 2005, the
13 term means an employee of the Department of Corrections or
14 the Department of Juvenile Justice who is any of the
15 following: (i) officially headquartered at a correctional
16 facility or Juvenile facility operated by the Department of
17 Juvenile Justice, (ii) a parole officer, (iii) a member of
18 the apprehension unit, (iv) a member of the intelligence
19 unit, (v) a member of the sort team, or (vi) an
20 investigator.

21 (11) The term "dangerous drugs investigator" means any
22 person who is employed as such by the Department of Human
23 Services.

24 (12) The term "investigator for the Department of State
25 Police" means a person employed by the Department of State
26 Police who is vested under Section 4 of the Narcotic

1 Control Division Abolition Act with such law enforcement
2 powers as render him ineligible for coverage under the
3 Social Security Act by reason of Sections 218(d)(5)(A),
4 218(d)(8)(D) and 218(1)(1) of that Act.

5 (13) "Investigator for the Office of the Attorney
6 General" means any person who is employed as such by the
7 Office of the Attorney General and is vested with such
8 investigative duties as render him ineligible for coverage
9 under the Social Security Act by reason of Sections
10 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
11 the period before January 1, 1989, the term includes all
12 persons who were employed as investigators by the Office of
13 the Attorney General, without regard to social security
14 status.

15 (14) "Controlled substance inspector" means any person
16 who is employed as such by the Department of Professional
17 Regulation and is vested with such law enforcement duties
18 as render him ineligible for coverage under the Social
19 Security Act by reason of Sections 218(d)(5)(A),
20 218(d)(8)(D) and 218(1)(1) of that Act. The term
21 "controlled substance inspector" includes the Program
22 Executive of Enforcement and the Assistant Program
23 Executive of Enforcement.

24 (15) The term "investigator for the Office of the
25 State's Attorneys Appellate Prosecutor" means a person
26 employed in that capacity on a full time basis under the

1 authority of Section 7.06 of the State's Attorneys
2 Appellate Prosecutor's Act.

3 (16) "Commerce Commission police officer" means any
4 person employed by the Illinois Commerce Commission who is
5 vested with such law enforcement duties as render him
6 ineligible for coverage under the Social Security Act by
7 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
8 218(1)(1) of that Act.

9 (17) "Arson investigator" means any person who is
10 employed as such by the Office of the State Fire Marshal
11 and is vested with such law enforcement duties as render
12 the person ineligible for coverage under the Social
13 Security Act by reason of Sections 218(d)(5)(A),
14 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
15 employed as an arson investigator on January 1, 1995 and is
16 no longer in service but not yet receiving a retirement
17 annuity may convert his or her creditable service for
18 employment as an arson investigator into eligible
19 creditable service by paying to the System the difference
20 between the employee contributions actually paid for that
21 service and the amounts that would have been contributed if
22 the applicant were contributing at the rate applicable to
23 persons with the same social security status earning
24 eligible creditable service on the date of application.

25 (18) The term "State highway maintenance worker" means
26 a person who is either of the following:

1 (i) A person employed on a full-time basis by the
2 Illinois Department of Transportation in the position
3 of highway maintainer, highway maintenance lead
4 worker, highway maintenance lead/lead worker, heavy
5 construction equipment operator, power shovel
6 operator, or bridge mechanic; and whose principal
7 responsibility is to perform, on the roadway, the
8 actual maintenance necessary to keep the highways that
9 form a part of the State highway system in serviceable
10 condition for vehicular traffic.

11 (ii) A person employed on a full-time basis by the
12 Illinois State Toll Highway Authority in the position
13 of equipment operator/laborer H-4, equipment
14 operator/laborer H-6, welder H-4, welder H-6,
15 mechanical/electrical H-4, mechanical/electrical H-6,
16 water/sewer H-4, water/sewer H-6, sign maker/hanger
17 H-4, sign maker/hanger H-6, roadway lighting H-4,
18 roadway lighting H-6, structural H-4, structural H-6,
19 painter H-4, or painter H-6; and whose principal
20 responsibility is to perform, on the roadway, the
21 actual maintenance necessary to keep the Authority's
22 tollways in serviceable condition for vehicular
23 traffic.

24 (d) A security employee of the Department of Corrections or
25 the Department of Juvenile Justice, and a security employee of
26 the Department of Human Services who is not a mental health

1 police officer, shall not be eligible for the alternative
2 retirement annuity provided by this Section unless he or she
3 meets the following minimum age and service requirements at the
4 time of retirement:

5 (i) 25 years of eligible creditable service and age 55;

6 or

7 (ii) beginning January 1, 1987, 25 years of eligible
8 creditable service and age 54, or 24 years of eligible
9 creditable service and age 55; or

10 (iii) beginning January 1, 1988, 25 years of eligible
11 creditable service and age 53, or 23 years of eligible
12 creditable service and age 55; or

13 (iv) beginning January 1, 1989, 25 years of eligible
14 creditable service and age 52, or 22 years of eligible
15 creditable service and age 55; or

16 (v) beginning January 1, 1990, 25 years of eligible
17 creditable service and age 51, or 21 years of eligible
18 creditable service and age 55; or

19 (vi) beginning January 1, 1991, 25 years of eligible
20 creditable service and age 50, or 20 years of eligible
21 creditable service and age 55.

22 Persons who have service credit under Article 16 of this
23 Code for service as a security employee of the Department of
24 Corrections or the Department of Juvenile Justice, or the
25 Department of Human Services in a position requiring
26 certification as a teacher may count such service toward

1 establishing their eligibility under the service requirements
2 of this Section; but such service may be used only for
3 establishing such eligibility, and not for the purpose of
4 increasing or calculating any benefit.

5 (e) If a member enters military service while working in a
6 position in which eligible creditable service may be earned,
7 and returns to State service in the same or another such
8 position, and fulfills in all other respects the conditions
9 prescribed in this Article for credit for military service,
10 such military service shall be credited as eligible creditable
11 service for the purposes of the retirement annuity prescribed
12 in this Section.

13 (f) For purposes of calculating retirement annuities under
14 this Section, periods of service rendered after December 31,
15 1968 and before October 1, 1975 as a covered employee in the
16 position of special agent, conservation police officer, mental
17 health police officer, or investigator for the Secretary of
18 State, shall be deemed to have been service as a noncovered
19 employee, provided that the employee pays to the System prior
20 to retirement an amount equal to (1) the difference between the
21 employee contributions that would have been required for such
22 service as a noncovered employee, and the amount of employee
23 contributions actually paid, plus (2) if payment is made after
24 July 31, 1987, regular interest on the amount specified in item
25 (1) from the date of service to the date of payment.

26 For purposes of calculating retirement annuities under

1 this Section, periods of service rendered after December 31,
2 1968 and before January 1, 1982 as a covered employee in the
3 position of investigator for the Department of Revenue shall be
4 deemed to have been service as a noncovered employee, provided
5 that the employee pays to the System prior to retirement an
6 amount equal to (1) the difference between the employee
7 contributions that would have been required for such service as
8 a noncovered employee, and the amount of employee contributions
9 actually paid, plus (2) if payment is made after January 1,
10 1990, regular interest on the amount specified in item (1) from
11 the date of service to the date of payment.

12 (g) A State policeman may elect, not later than January 1,
13 1990, to establish eligible creditable service for up to 10
14 years of his service as a policeman under Article 3, by filing
15 a written election with the Board, accompanied by payment of an
16 amount to be determined by the Board, equal to (i) the
17 difference between the amount of employee and employer
18 contributions transferred to the System under Section 3-110.5,
19 and the amounts that would have been contributed had such
20 contributions been made at the rates applicable to State
21 policemen, plus (ii) interest thereon at the effective rate for
22 each year, compounded annually, from the date of service to the
23 date of payment.

24 Subject to the limitation in subsection (i), a State
25 policeman may elect, not later than July 1, 1993, to establish
26 eligible creditable service for up to 10 years of his service

1 as a member of the County Police Department under Article 9, by
2 filing a written election with the Board, accompanied by
3 payment of an amount to be determined by the Board, equal to
4 (i) the difference between the amount of employee and employer
5 contributions transferred to the System under Section 9-121.10
6 and the amounts that would have been contributed had those
7 contributions been made at the rates applicable to State
8 policemen, plus (ii) interest thereon at the effective rate for
9 each year, compounded annually, from the date of service to the
10 date of payment.

11 (h) Subject to the limitation in subsection (i), a State
12 policeman or investigator for the Secretary of State may elect
13 to establish eligible creditable service for up to 12 years of
14 his service as a policeman under Article 5, by filing a written
15 election with the Board on or before January 31, 1992, and
16 paying to the System by January 31, 1994 an amount to be
17 determined by the Board, equal to (i) the difference between
18 the amount of employee and employer contributions transferred
19 to the System under Section 5-236, and the amounts that would
20 have been contributed had such contributions been made at the
21 rates applicable to State policemen, plus (ii) interest thereon
22 at the effective rate for each year, compounded annually, from
23 the date of service to the date of payment.

24 Subject to the limitation in subsection (i), a State
25 policeman, conservation police officer, or investigator for
26 the Secretary of State may elect to establish eligible

1 creditable service for up to 10 years of service as a sheriff's
2 law enforcement employee under Article 7, by filing a written
3 election with the Board on or before January 31, 1993, and
4 paying to the System by January 31, 1994 an amount to be
5 determined by the Board, equal to (i) the difference between
6 the amount of employee and employer contributions transferred
7 to the System under Section 7-139.7, and the amounts that would
8 have been contributed had such contributions been made at the
9 rates applicable to State policemen, plus (ii) interest thereon
10 at the effective rate for each year, compounded annually, from
11 the date of service to the date of payment.

12 Subject to the limitation in subsection (i), a State
13 policeman, conservation police officer, or investigator for
14 the Secretary of State may elect to establish eligible
15 creditable service for up to 5 years of service as a police
16 officer under Article 3, a policeman under Article 5, a
17 sheriff's law enforcement employee under Article 7, a member of
18 the county police department under Article 9, or a police
19 officer under Article 15 by filing a written election with the
20 Board and paying to the System an amount to be determined by
21 the Board, equal to (i) the difference between the amount of
22 employee and employer contributions transferred to the System
23 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
24 and the amounts that would have been contributed had such
25 contributions been made at the rates applicable to State
26 policemen, plus (ii) interest thereon at the effective rate for

1 each year, compounded annually, from the date of service to the
2 date of payment.

3 (i) The total amount of eligible creditable service
4 established by any person under subsections (g), (h), (j), (k),
5 and (l) of this Section shall not exceed 12 years.

6 (j) Subject to the limitation in subsection (i), an
7 investigator for the Office of the State's Attorneys Appellate
8 Prosecutor or a controlled substance inspector may elect to
9 establish eligible creditable service for up to 10 years of his
10 service as a policeman under Article 3 or a sheriff's law
11 enforcement employee under Article 7, by filing a written
12 election with the Board, accompanied by payment of an amount to
13 be determined by the Board, equal to (1) the difference between
14 the amount of employee and employer contributions transferred
15 to the System under Section 3-110.6 or 7-139.8, and the amounts
16 that would have been contributed had such contributions been
17 made at the rates applicable to State policemen, plus (2)
18 interest thereon at the effective rate for each year,
19 compounded annually, from the date of service to the date of
20 payment.

21 (k) Subject to the limitation in subsection (i) of this
22 Section, an alternative formula employee may elect to establish
23 eligible creditable service for periods spent as a full-time
24 law enforcement officer or full-time corrections officer
25 employed by the federal government or by a state or local
26 government located outside of Illinois, for which credit is not

1 held in any other public employee pension fund or retirement
2 system. To obtain this credit, the applicant must file a
3 written application with the Board by March 31, 1998,
4 accompanied by evidence of eligibility acceptable to the Board
5 and payment of an amount to be determined by the Board, equal
6 to (1) employee contributions for the credit being established,
7 based upon the applicant's salary on the first day as an
8 alternative formula employee after the employment for which
9 credit is being established and the rates then applicable to
10 alternative formula employees, plus (2) an amount determined by
11 the Board to be the employer's normal cost of the benefits
12 accrued for the credit being established, plus (3) regular
13 interest on the amounts in items (1) and (2) from the first day
14 as an alternative formula employee after the employment for
15 which credit is being established to the date of payment.

16 (1) Subject to the limitation in subsection (i), a security
17 employee of the Department of Corrections may elect, not later
18 than July 1, 1998, to establish eligible creditable service for
19 up to 10 years of his or her service as a policeman under
20 Article 3, by filing a written election with the Board,
21 accompanied by payment of an amount to be determined by the
22 Board, equal to (i) the difference between the amount of
23 employee and employer contributions transferred to the System
24 under Section 3-110.5, and the amounts that would have been
25 contributed had such contributions been made at the rates
26 applicable to security employees of the Department of

1 Corrections, plus (ii) interest thereon at the effective rate
2 for each year, compounded annually, from the date of service to
3 the date of payment.

4 (m) The amendatory changes to this Section made by this
5 amendatory Act of the 94th General Assembly apply only to: (1)
6 security employees of the Department of Juvenile Justice
7 employed by the Department of Corrections before the effective
8 date of this amendatory Act of the 94th General Assembly and
9 transferred to the Department of Juvenile Justice by this
10 amendatory Act of the 94th General Assembly; and (2) persons
11 employed by the Department of Juvenile Justice on or after the
12 effective date of this amendatory Act of the 94th General
13 Assembly who are required by subsection (b) of Section 3-2.5-15
14 of the Unified Code of Corrections to have a bachelor's or
15 advanced degree from an accredited college or university with a
16 specialization in criminal justice, education, psychology,
17 social work, or a closely related social science or, in the
18 case of persons who provide vocational training, who are
19 required to have adequate knowledge in the skill for which they
20 are providing the vocational training.

21 (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06; 95-530,
22 eff. 8-28-07.)

23 (40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)

24 Sec. 14-111. Re-entry After retirement.

25 (a) An annuitant who re-enters the service of a department

1 and receives compensation on a regular payroll shall receive no
2 payments of the retirement annuity during the time he is so
3 employed, with the following exceptions:

4 (1) An annuitant who is employed by a department while
5 he or she is a continuing participant in the General
6 Assembly Retirement System under Sections 2-117.1 and
7 14-105.4 will not be considered to have made a re-entry
8 after retirement within the meaning of this Section for the
9 duration of such continuing participation. Any person who
10 is a continuing participant under Sections 2-117.1 and
11 14-105.4 on the effective date of this amendatory Act of
12 1991 and whose retirement annuity has been suspended under
13 this Section shall be entitled to receive from the System a
14 sum equal to the annuity payments that have been withheld
15 under this Section, and shall receive the benefit of this
16 amendment without regard to Section 1-103.1.

17 (2) An annuitant who accepts temporary employment from
18 such a department for a period not exceeding 75 working
19 days in any calendar year is not considered to make a
20 re-entry after retirement within the meaning of this
21 Section. Any part of a day on temporary employment is
22 considered a full day of employment.

23 (3) An annuitant who accepts employment as a member of
24 the Illinois Gaming Board or as the Director of Gaming
25 Enforcement may elect to not participate in this System
26 with respect to that service. An annuitant who elects to

1 not participate in this System with respect to that service
2 is not considered to make a re-entry after retirement
3 within the meaning of this Section.

4 (b) If such person re-enters the service of a department,
5 not as a temporary employee, contributions to the system shall
6 begin as of the date of re-employment and additional creditable
7 service shall begin to accrue. He shall assume the status of a
8 member entitled to all rights and privileges in the system,
9 including death and disability benefits, excluding a refund of
10 contributions.

11 Upon subsequent retirement, his retirement annuity shall
12 consist of:

13 (1) the amounts of the annuities terminated by re-entry
14 into service; and

15 (2) the amount of the additional retirement annuity
16 earned by the member during the period of additional
17 membership service which shall not be subject to
18 reversionary annuity if any.

19 The total retirement annuity shall not, however, exceed the
20 maximum applicable to the member at the time of original
21 retirement. In the computation of any such retirement annuity,
22 the time that the member was on retirement shall not interrupt
23 the continuity of service for the computation of final average
24 compensation and the additional membership service shall be
25 considered, together with service rendered before the previous
26 retirement, in establishing final average compensation.

1 A person who re-enters the service of a department within 3
2 years after retiring may qualify to have the retirement annuity
3 computed as though the member had not previously retired by
4 paying to the System, within 5 years after re-entry and prior
5 to subsequent retirement, in a lump sum or in installment
6 payments in accordance with such rules as may be adopted by the
7 Board, an amount equal to all retirement payments received,
8 including any payments received in accordance with subsection
9 (c) or (d) of Section 14-130, plus regular interest from the
10 date retirement payments were suspended to the date of
11 repayment.

12 (Source: P.A. 86-1488; 87-794.)

13 (40 ILCS 5/14-152.1)

14 Sec. 14-152.1. Application and expiration of new benefit
15 increases.

16 (a) As used in this Section, "new benefit increase" means
17 an increase in the amount of any benefit provided under this
18 Article, or an expansion of the conditions of eligibility for
19 any benefit under this Article, that results from an amendment
20 to this Code that takes effect after June 1, 2005 (the
21 effective date of Public Act 94-4) ~~this amendatory Act of the~~
22 ~~94th General Assembly~~. "New benefit increase", however, does
23 not include any benefit increase resulting from the changes
24 made to this Article by this amendatory Act of the 96th General
25 Assembly.

1 (b) Notwithstanding any other provision of this Code or any
2 subsequent amendment to this Code, every new benefit increase
3 is subject to this Section and shall be deemed to be granted
4 only in conformance with and contingent upon compliance with
5 the provisions of this Section.

6 (c) The Public Act enacting a new benefit increase must
7 identify and provide for payment to the System of additional
8 funding at least sufficient to fund the resulting annual
9 increase in cost to the System as it accrues.

10 Every new benefit increase is contingent upon the General
11 Assembly providing the additional funding required under this
12 subsection. The Commission on Government Forecasting and
13 Accountability shall analyze whether adequate additional
14 funding has been provided for the new benefit increase and
15 shall report its analysis to the Public Pension Division of the
16 Department of Financial and Professional Regulation. A new
17 benefit increase created by a Public Act that does not include
18 the additional funding required under this subsection is null
19 and void. If the Public Pension Division determines that the
20 additional funding provided for a new benefit increase under
21 this subsection is or has become inadequate, it may so certify
22 to the Governor and the State Comptroller and, in the absence
23 of corrective action by the General Assembly, the new benefit
24 increase shall expire at the end of the fiscal year in which
25 the certification is made.

26 (d) Every new benefit increase shall expire 5 years after

1 its effective date or on such earlier date as may be specified
2 in the language enacting the new benefit increase or provided
3 under subsection (c). This does not prevent the General
4 Assembly from extending or re-creating a new benefit increase
5 by law.

6 (e) Except as otherwise provided in the language creating
7 the new benefit increase, a new benefit increase that expires
8 under this Section continues to apply to persons who applied
9 and qualified for the affected benefit while the new benefit
10 increase was in effect and to the affected beneficiaries and
11 alternate payees of such persons, but does not apply to any
12 other person, including without limitation a person who
13 continues in service after the expiration date and did not
14 apply and qualify for the affected benefit while the new
15 benefit increase was in effect.

16 (Source: P.A. 94-4, eff. 6-1-05.)

17 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

18 Sec. 18-127. Retirement annuity - suspension on
19 reemployment.

20 (a) A participant receiving a retirement annuity who is
21 regularly employed for compensation by an employer other than a
22 county, in any capacity, shall have his or her retirement
23 annuity payments suspended during such employment. Upon
24 termination of such employment, retirement annuity payments at
25 the previous rate shall be resumed.

1 If such a participant resumes service as a judge, he or she
2 shall receive credit for any additional service. Upon
3 subsequent retirement, his or her retirement annuity shall be
4 the amount previously granted, plus the amount earned by the
5 additional judicial service under the provisions in effect
6 during the period of such additional service. However, if the
7 participant was receiving the maximum rate of annuity at the
8 time of re-employment, he or she may elect, in a written
9 direction filed with the board, not to receive any additional
10 service credit during the period of re-employment. In such
11 case, contributions shall not be required during the period of
12 re-employment. Any such election shall be irrevocable.

13 (b) Beginning January 1, 1991, any participant receiving a
14 retirement annuity who accepts temporary employment from an
15 employer other than a county for a period not exceeding 75
16 working days in any calendar year shall not be deemed to be
17 regularly employed for compensation or to have resumed service
18 as a judge for the purposes of this Article. A day shall be
19 considered a working day if the annuitant performs on it any of
20 his duties under the temporary employment agreement.

21 (c) Except as provided in subsection (a), beginning January
22 1, 1993, retirement annuities shall not be subject to
23 suspension upon resumption of employment for an employer, and
24 any retirement annuity that is then so suspended shall be
25 reinstated on that date.

26 (d) The changes made in this Section by this amendatory Act

1 of 1993 shall apply to judges no longer in service on its
2 effective date, as well as to judges serving on or after that
3 date.

4 (e) A participant receiving a retirement annuity under this
5 Article who (i) serves as a part-time employee in any of the
6 following positions: Legislative Inspector General, Special
7 Legislative Inspector General, employee of the Office of the
8 Legislative Inspector General, Executive Director of the
9 Legislative Ethics Commission, or staff of the Legislative
10 Ethics Commission or (ii) serves on the Illinois Gaming Board
11 or as the Director of Gaming Enforcement, but has not elected
12 to participate in the Article 14 System with respect to that
13 service, shall not be deemed to be regularly employed for
14 compensation by an employer other than a county, nor to have
15 resumed service as a judge, on the basis of that service, and
16 the retirement annuity payments and other benefits of that
17 person under this Code shall not be suspended, diminished, or
18 otherwise impaired solely as a consequence of that service.
19 This subsection (e) applies without regard to whether the
20 person is in service as a judge under this Article on or after
21 the effective date of this amendatory Act of the 93rd General
22 Assembly. In this subsection, a "part-time employee" is a
23 person who is not required to work at least 35 hours per week.
24 The changes made to this subsection (e) by this amendatory Act
25 of the 96th General Assembly apply without regard to whether
26 the person is in service as a judge under this Article on or

1 after the effective date of this amendatory Act of the 96th
2 General Assembly.

3 (f) A participant receiving a retirement annuity under this
4 Article who has made an election under Section 1-123 and who is
5 serving either as legal counsel in the Office of the Governor
6 or as Chief Deputy Attorney General shall not be deemed to be
7 regularly employed for compensation by an employer other than a
8 county, nor to have resumed service as a judge, on the basis of
9 that service, and the retirement annuity payments and other
10 benefits of that person under this Code shall not be suspended,
11 diminished, or otherwise impaired solely as a consequence of
12 that service. This subsection (f) applies without regard to
13 whether the person is in service as a judge under this Article
14 on or after the effective date of this amendatory Act of the
15 93rd General Assembly.

16 (Source: P.A. 93-685, eff. 7-8-04; 93-1069, eff. 1-15-05.)

17 (40 ILCS 5/18-169)

18 Sec. 18-169. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after June 1, 2005 (the
25 effective date Public Act 94-4) ~~of this amendatory Act of the~~

1 ~~94th General Assembly.~~ "New benefit increase", however, does
2 not include any benefit increase resulting from the changes
3 made to this Article by this amendatory Act of the 96th General
4 Assembly.

5 (b) Notwithstanding any other provision of this Code or any
6 subsequent amendment to this Code, every new benefit increase
7 is subject to this Section and shall be deemed to be granted
8 only in conformance with and contingent upon compliance with
9 the provisions of this Section.

10 (c) The Public Act enacting a new benefit increase must
11 identify and provide for payment to the System of additional
12 funding at least sufficient to fund the resulting annual
13 increase in cost to the System as it accrues.

14 Every new benefit increase is contingent upon the General
15 Assembly providing the additional funding required under this
16 subsection. The Commission on Government Forecasting and
17 Accountability shall analyze whether adequate additional
18 funding has been provided for the new benefit increase and
19 shall report its analysis to the Public Pension Division of the
20 Department of Financial and Professional Regulation. A new
21 benefit increase created by a Public Act that does not include
22 the additional funding required under this subsection is null
23 and void. If the Public Pension Division determines that the
24 additional funding provided for a new benefit increase under
25 this subsection is or has become inadequate, it may so certify
26 to the Governor and the State Comptroller and, in the absence

1 of corrective action by the General Assembly, the new benefit
2 increase shall expire at the end of the fiscal year in which
3 the certification is made.

4 (d) Every new benefit increase shall expire 5 years after
5 its effective date or on such earlier date as may be specified
6 in the language enacting the new benefit increase or provided
7 under subsection (c). This does not prevent the General
8 Assembly from extending or re-creating a new benefit increase
9 by law.

10 (e) Except as otherwise provided in the language creating
11 the new benefit increase, a new benefit increase that expires
12 under this Section continues to apply to persons who applied
13 and qualified for the affected benefit while the new benefit
14 increase was in effect and to the affected beneficiaries and
15 alternate payees of such persons, but does not apply to any
16 other person, including without limitation a person who
17 continues in service after the expiration date and did not
18 apply and qualify for the affected benefit while the new
19 benefit increase was in effect.

20 (Source: P.A. 94-4, eff. 6-1-05.)

21 Section 45. The Joliet Regional Port District Act is
22 amended by changing Section 5.1 as follows:

23 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

24 Sec. 5.1. Riverboat gambling. Notwithstanding any other

1 provision of this Act, the District may not regulate the
2 operation, conduct, or navigation of any riverboat gambling
3 casino licensed under the Illinois ~~Riverboat~~ Gambling Act, and
4 the District may not license, tax, or otherwise levy any
5 assessment of any kind on any riverboat gambling casino
6 licensed under the Illinois ~~Riverboat~~ Gambling Act. The General
7 Assembly declares that the powers to regulate the operation,
8 conduct, and navigation of riverboat gambling casinos and to
9 license, tax, and levy assessments upon riverboat gambling
10 casinos are exclusive powers of the State of Illinois and the
11 Illinois Gaming Board as provided in the Illinois ~~Riverboat~~
12 Gambling Act.

13 (Source: P.A. 87-1175.)

14 Section 50. The Consumer Installment Loan Act is amended by
15 changing Section 12.5 as follows:

16 (205 ILCS 670/12.5)

17 Sec. 12.5. Limited purpose branch.

18 (a) Upon the written approval of the Director, a licensee
19 may maintain a limited purpose branch for the sole purpose of
20 making loans as permitted by this Act. A limited purpose branch
21 may include an automatic loan machine. No other activity shall
22 be conducted at the site, including but not limited to,
23 accepting payments, servicing the accounts, or collections.

24 (b) The licensee must submit an application for a limited

1 purpose branch to the Director on forms prescribed by the
2 Director with an application fee of \$300. The approval for the
3 limited purpose branch must be renewed concurrently with the
4 renewal of the licensee's license along with a renewal fee of
5 \$300 for the limited purpose branch.

6 (c) The books, accounts, records, and files of the limited
7 purpose branch's transactions shall be maintained at the
8 licensee's licensed location. The licensee shall notify the
9 Director of the licensed location at which the books, accounts,
10 records, and files shall be maintained.

11 (d) The licensee shall prominently display at the limited
12 purpose branch the address and telephone number of the
13 licensee's licensed location.

14 (e) No other business shall be conducted at the site of the
15 limited purpose branch unless authorized by the Director.

16 (f) The Director shall make and enforce reasonable rules
17 for the conduct of a limited purpose branch.

18 (g) A limited purpose branch may not be located in ~~within~~
19 ~~1,000 feet of~~ a facility operated by an inter-track wagering
20 licensee or an organization licensee subject to the Illinois
21 Horse Racing Act of 1975, on a riverboat or in an electronic
22 gaming facility subject to the Illinois Riverboat ~~Riverboat~~ Gambling Act,
23 or within 1,000 feet of any such ~~the~~ location ~~at which the~~
24 ~~riverboat docks~~.

25 (Source: P.A. 90-437, eff. 1-1-98.)

1 Section 55. The Illinois Horse Racing Act of 1975 is
2 amended by changing Sections 1.2, 1.3, 3.071, 3.077, 3.12,
3 3.20, 3.22, 3.23, 4, 5, 6, 7, 9, 20, 25, 26, 27, 28.1, 30, 30.5,
4 31, 36, 42, 45, 54, and 54.75 and adding Sections 2.5, 3.24,
5 3.25, 3.26, 3.27, 3.28, 3.29, 6.5, 12.5, 21.5, 31.2, 31.3,
6 34.3, 56, and 57 as follows:

7 (230 ILCS 5/1.2)

8 Sec. 1.2. Legislative intent. This Act is intended to
9 benefit the people of the State of Illinois by encouraging the
10 breeding and production of race horses, assisting economic
11 development, and promoting Illinois tourism. The General
12 Assembly finds and declares it to be the public policy of the
13 State of Illinois to:

14 (a) support and enhance Illinois' horse racing industry,
15 which is a significant component within the agribusiness
16 industry;

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

19 (c) stimulate growth within Illinois' horse racing
20 industry, thereby encouraging new investment and development
21 to produce additional tax revenues and to create additional
22 jobs;

23 (d) promote the further growth of tourism;

24 (e) encourage the breeding of thoroughbred and
25 standardbred horses in this State; and

1 (f) ensure that public confidence and trust in the
2 credibility and integrity of racing operations and the
3 regulatory process is maintained.

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

5 (230 ILCS 5/1.3)

6 Sec. 1.3. Legislative findings.

7 (a) The General Assembly finds that the Illinois gaming
8 industry is a single industry consisting of horse racing, ~~and~~
9 riverboat gambling, and electronic gaming. Reports issued by
10 the Economic and Fiscal Commission (now Commission on
11 Government Forecasting and Accountability) in 1992, 1994, and
12 1998 have found that horse racing and riverboat gambling:

13 (1) "share many of the same characteristics" and are
14 "more alike than different";

15 (2) are planned events;

16 (3) have similar odds of winning;

17 (4) occur in similar settings; and

18 (5) compete with each other for limited gaming dollars.

19 (b) The General Assembly declares it to be the public
20 policy of this State to ensure the viability of all ~~both horse~~
21 ~~racing and riverboat~~ aspects of the Illinois gaming industry.

22 (Source: P.A. 95-331, eff. 8-21-07.)

23 (230 ILCS 5/2.5 new)

24 Sec. 2.5. Separation from Department of Revenue. On the

1 effective date of this amendatory Act of the 96th General
2 Assembly, all of the powers, duties, assets, liabilities,
3 employees, contracts, property, records, pending business, and
4 unexpended appropriations of the Department of Revenue related
5 to the administration and enforcement of this Act are
6 transferred to the Illinois Racing Board.

7 The status and rights of the transferred employees, and the
8 rights of the State of Illinois and its agencies, under the
9 Personnel Code and applicable collective bargaining agreements
10 or under any pension, retirement, or annuity plan are not
11 affected (except as provided in the Illinois Pension Code) by
12 that transfer or by any other provision of this amendatory Act
13 of the 96th General Assembly.

14 (230 ILCS 5/3.071) (from Ch. 8, par. 37-3.071)

15 Sec. 3.071. Inter-track wagering. "Inter-track Wagering"
16 means a legal wager on the outcome of a simultaneously
17 televised horse race taking place at an Illinois race track
18 placed or accepted at any location authorized to accept wagers
19 under this Act, excluding the Illinois race track at which that
20 horse race is being conducted, and advance deposit wagering
21 through an advance deposit wagering licensee.

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

23 (230 ILCS 5/3.077)

24 Sec. 3.077. Non-host licensee. "Non-host licensee" means a

1 licensee operating concurrently with a host track, but does not
2 include an advance deposit wagering licensee.

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

4 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

5 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
6 system of wagering" means a form of wagering on the outcome of
7 horse races in which wagers are made in various denominations
8 on a horse or horses and all wagers for each race are pooled
9 and held by a licensee for distribution in a manner approved by
10 the Board. Wagers may be placed via any method or at any
11 location authorized under this Act.

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

13 (230 ILCS 5/3.20)

14 Sec. 3.20. Licensee. "Licensee" means an individual
15 organization licensee, an inter-track wagering licensee, an ~~or~~
16 inter-track wagering location licensee, or an advance deposit
17 wagering licensee, as the context of this Act requires.

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

19 (230 ILCS 5/3.22)

20 Sec. 3.22. Wagering facility. "Wagering facility" means
21 any location at which a licensee, other than an advance deposit
22 wagering licensee, may accept or receive pari-mutuel wagers
23 under this Act.

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

2 (230 ILCS 5/3.23)

3 Sec. 3.23. Wagering. "Wagering" means, collectively, the
4 pari-mutuel system of wagering, inter-track wagering, ~~and~~
5 simulcast wagering, and advance deposit wagering.

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

7 (230 ILCS 5/3.24 new)

8 Sec. 3.24. Adjusted gross receipts. "Adjusted gross
9 receipts" means the gross receipts from electronic gaming less
10 winnings paid to wagerers.

11 (230 ILCS 5/3.25 new)

12 Sec. 3.25. Electronic gaming. "Electronic gaming" means
13 slot machine gambling, video games of chance, and electronic
14 games as defined in the Illinois Gambling Act, that is
15 conducted at a race track pursuant to an electronic gaming
16 license.

17 (230 ILCS 5/3.26 new)

18 Sec. 3.26. Electronic gaming license. "Electronic gaming
19 license" means a license to conduct electronic gaming issued
20 under Section 56.

21 (230 ILCS 5/3.27 new)

1 Sec. 3.27. Electronic gaming facility. "Electronic gaming
2 facility" means that portion of an organization licensee's race
3 track facility at which electronic gaming is conducted.

4 (230 ILCS 5/3.28 new)

5 Sec. 3.28. Advance deposit wagering licensee. "Advance
6 deposit wagering licensee" means a person licensed by the Board
7 to conduct advance deposit wagering. An advance deposit
8 wagering licensee shall be an organization licensee or a person
9 or third party who contracts with an organization licensee in
10 order to conduct advance deposit wagering.

11 (230 ILCS 5/3.29 new)

12 Sec. 3.29. Advance deposit wagering. "Advance deposit
13 wagering" means a method of pari-mutuel wagering in which an
14 individual may establish an account, deposit money into the
15 account, and use the account balance to pay for pari-mutuel
16 wagering authorized by this Act. An advance deposit wager may
17 be placed in person at a wagering facility or from any other
18 location via a telephone-type device or any other electronic
19 means. Any person who accepts an advance deposit wager who is
20 not licensed by the Board as an advance deposit wagering
21 licensee shall be considered in violation of this Act and the
22 Criminal Code of 1961. Any advance deposit wager placed in
23 person at a wagering facility shall be deemed to have been
24 placed at that wagering facility.

1 (230 ILCS 5/4) (from Ch. 8, par. 37-4)

2 Sec. 4. Until the effective date of this amendatory Act of
3 the 96th General Assembly, the ~~The~~ Board shall consist of 11
4 members to be appointed by the Governor with the advice and
5 consent of the Senate, not more than 6 of whom shall be of the
6 same political party, and one of whom shall be designated by
7 the Governor to be chairman.

8 Beginning on the effective date of this amendatory Act of
9 the 96th General Assembly, the Board shall consist of 7 members
10 appointed by the Governor from nominations presented to the
11 Governor by the Nomination Panel and with the advice and
12 consent of the Senate. Notwithstanding any provision of this
13 Section to the contrary, the term of office of each member of
14 the Board sitting on the effective date of this amendatory Act
15 of the 96th General Assembly ends on that date and those
16 members shall hold office only until their successors are
17 appointed and qualified pursuant to this amendatory Act.

18 Each member shall have a reasonable knowledge of harness or
19 thoroughbred racing practices and procedure and of the
20 principles of harness or thoroughbred racing and breeding and,
21 at the time of his appointment, shall be a resident of the
22 State of Illinois and shall have resided therein for a period
23 of at least 5 years next preceding his appointment and
24 qualification and he shall be a qualified voter therein and not
25 less than 25 years of age. The Board should reflect the ethnic,

1 cultural, and geographic diversity of the State.

2 (Source: P.A. 91-798, eff. 7-9-00.)

3 (230 ILCS 5/5) (from Ch. 8, par. 37-5)

4 Sec. 5. As soon as practicable following the effective date
5 of this amendatory Act of 1995, the Governor shall appoint,
6 with the advice and consent of the Senate, members to the Board
7 as follows: 3 members for terms expiring July 1, 1996; 3
8 members for terms expiring July 1, 1998; and 3 members for
9 terms expiring July 1, 2000. Of the 2 additional members
10 appointed pursuant to this amendatory Act of the 91st General
11 Assembly, the initial term of one member shall expire on July
12 1, 2002 and the initial term of the other member shall expire
13 on July 1, 2004. Thereafter, the terms of office of the Board
14 members shall be 6 years. Incumbent members on the effective
15 date of this amendatory Act of 1995 shall continue to serve
16 only until their successors are appointed and have qualified.

17 The terms of office of the initial Board members appointed
18 pursuant to this amendatory Act of the 96th General Assembly
19 will commence from the effective date of this amendatory Act
20 and run as follows, to be determined by lot: one for a term
21 expiring July 1 of the year following confirmation, 2 for a
22 term expiring July 1 two years following confirmation, 2 for a
23 term expiring July 1 three years following confirmation, and 2
24 for a term expiring July 1 four years following confirmation.
25 Upon the expiration of the foregoing terms, the successors of

1 such members shall serve a term of 4 years and until their
2 successors are appointed and qualified for like terms.

3 Each member of the Board shall receive \$300 per day for
4 each day the Board meets and for each day the member conducts a
5 hearing pursuant to Section 16 of this Act, provided that no
6 Board member shall receive more than \$5,000 in such fees during
7 any calendar year, or an amount set by the Compensation Review
8 Board, whichever is greater. Members of the Board shall also be
9 reimbursed for all actual and necessary expenses and
10 disbursements incurred in the execution of their official
11 duties.

12 (Source: P.A. 91-357, eff. 7-29-99; 91-798, eff. 7-9-00.)

13 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

14 Sec. 6. Restrictions on Board members.

15 (a) No person shall be appointed a member of the Board or
16 continue to be a member of the Board if the person or any
17 member of their immediate family is a member of the Board of
18 Directors, employee, or financially interested in any of the
19 following: (i) any licensee or other person who has applied for
20 racetrack dates to the Board, or the operations thereof including,
21 but not limited to, concessions, data processing, track
22 maintenance, track security and pari-mutuel operations,
23 located, scheduled or doing business within the State of
24 Illinois, (ii) any licensee or other person in any race horse
25 competing at a meeting under the Board's jurisdiction, or (iii)

1 ~~any licensee under the Illinois Gambling Act. No person shall~~
2 ~~be appointed a member of the Board or continue to be a member~~
3 ~~of the Board who is (or any member of whose family is) a member~~
4 ~~of the Board of Directors of, or who is a person financially~~
5 ~~interested in, any licensee or other person who has applied for~~
6 ~~racing dates to the Board, or the operations thereof including,~~
7 ~~but not limited to, concessions, data processing, track~~
8 ~~maintenance, track security and pari mutuel operations,~~
9 ~~located, scheduled or doing business within the State of~~
10 ~~Illinois, or in any race horse competing at a meeting under the~~
11 ~~Board's jurisdiction. No Board member shall hold any other~~
12 ~~public office for which he shall receive compensation other~~
13 ~~than necessary travel or other incidental expenses.~~

14 (b) No person shall be a member of the Board who is not of
15 good moral character or who has been convicted of, or is under
16 indictment for, a felony under the laws of Illinois or any
17 other state, or the United States.

18 (c) No member of the Board or employee shall engage in any
19 political activity. For the purposes of this Section,
20 "political" means any activity in support of or in connection
21 with any campaign for State or local elective office or any
22 political organization, but does not include activities (i)
23 relating to the support of opposition of any executive,
24 legislative, or administrative action (as those terms are
25 defined in Section 2 of the Lobbyist Registration Act), (ii)
26 relating to collective bargaining, or (iii) that are otherwise

1 in furtherance of the person's official State duties or
2 governmental and public service functions.

3 (d) Board members and employees may not engage in
4 communications or any activity that may cause or have the
5 appearance of causing a conflict of interest. A conflict of
6 interest exists if a situation influences or creates the
7 appearance that it may influence judgment or performance of
8 regulatory duties and responsibilities. This prohibition shall
9 extend to any act identified by Board action that, in the
10 judgment of the Board, could represent the potential for or the
11 appearance of a conflict of interest.

12 (e) Board members and employees may not accept any gift,
13 gratuity, service, compensation, travel, lodging, or thing of
14 value, with the exception of unsolicited items of an incidental
15 nature, from any person, corporation, or entity doing business
16 with the Board.

17 (f) A Board member or employee shall not use or attempt to
18 use his or her official position to secure, or attempt to
19 secure, any privilege, advantage, favor, or influence for
20 himself or herself or others.

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

22 (230 ILCS 5/6.5 new)

23 Sec. 6.5. Ex parte communications.

24 (a) For the purpose of this Section:

25 "Ex parte communication" means any written or oral

1 communication by any person that imparts or requests material
2 information or makes a material argument regarding potential
3 action concerning regulatory, quasi regulatory, investment, or
4 licensing matters pending before or under consideration by the
5 Illinois Racing Board. "Ex parte communication" does not
6 include the following: (i) statements by a person publicly made
7 in a public forum; (ii) statements regarding matters of
8 procedure and practice, such as format, the number of copies
9 required, the manner of filing, and the status of a matter;
10 (iii) statements regarding recommendation for pending or
11 approved legislation; (iv) statements made by a State employee
12 of the agency to the agency head or other employees of that
13 agency.

14 "Interested party" means a person or entity whose rights,
15 privileges, or interests are the subject of or are directly
16 affected by a regulatory, quasi-adjudicatory, investment, or
17 licensing matter of the Board.

18 (b) A constitutional officer, a member of the General
19 Assembly, a special government agent as that term is defined in
20 Section 4A-101 of the Illinois Governmental Ethics Act, a
21 director, secretary, or other employee of the executive branch
22 of the State, an employee of the legislative branch of the
23 State, or an interested party may not engage in any ex parte
24 communication with a member of the Board or an employee. A
25 member of the Board or an employee must immediately report any
26 ex parte communication to the Board's Ethics Officer. A

1 violation of this subsection (b) is a Class 4 felony.

2 (c) A constitutional officer, a member of the General
3 Assembly, a special government agent as that term is defined in
4 Section 4A-101 of the Illinois Governmental Ethics Act, a
5 director, secretary, or other employee of the executive branch
6 of the State, an employee of the legislative branch of the
7 State, or an interested party may not engage in any ex parte
8 communication with a nominee for a position on the Board. A
9 person is deemed a nominee once he or she has submitted
10 information to the Nomination Panel. A nominee must immediately
11 report any ex parte communication to the Board's Ethics
12 Officer. A violation of this subsection (c) is a Class 4
13 felony.

14 (230 ILCS 5/7) (from Ch. 8, par. 37-7)

15 Sec. 7. Vacancies in the Board shall be filled for the
16 unexpired term in like manner as original appointments. Each
17 member of the Board shall be eligible for reappointment,
18 subject to the nomination process of the Nomination Panel, by
19 ~~in the discretion of~~ the Governor with the advice and consent
20 of the Senate.

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

22 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

23 Sec. 9. The Board shall have all powers necessary and
24 proper to fully and effectively execute the provisions of this

1 Act, including, but not limited to, the following:

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

18 Upon application, the Board shall issue a license to the
19 Illinois Department of Agriculture to conduct harness and
20 Quarter Horse races at the Illinois State Fair and at the
21 DuQuoin State Fairgrounds during the scheduled dates of each
22 fair. The Board shall not require and the Department of
23 Agriculture shall be exempt from the requirements of Sections
24 15.3, 18 and 19, paragraphs (a) (2), (b), (c), (d), (e), (e-5),
25 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
26 and 25. The Board and the Department of Agriculture may extend

1 any or all of these exemptions to any contractor or agent
2 engaged by the Department of Agriculture to conduct its race
3 meetings when the Board determines that this would best serve
4 the public interest and the interest of horse racing.

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

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

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

1 (d) ~~The Board, and any person or persons to whom it~~
2 ~~delegates this power, is vested with the authority to~~
3 ~~investigate alleged violations of the provisions of this Act,~~
4 ~~its reasonable rules and regulations, orders and final~~
5 ~~decisions;~~ the Board shall take appropriate disciplinary
6 action against any licensee or occupation licensee for
7 violation thereof or institute appropriate legal action for the
8 enforcement thereof.

9 (e) The Board, the Office of Gaming Enforcement, and any
10 person or persons to whom it delegates this power, may eject or
11 exclude from any race meeting or the facilities of any
12 licensee, or any part thereof, any occupation licensee or any
13 other individual whose conduct or reputation is such that his
14 or her presence on those facilities may, in the opinion of the
15 Board, call into question the honesty and integrity of horse
16 racing or wagering or interfere with the orderly conduct of
17 horse racing or wagering; provided, however, that no person
18 shall be excluded or ejected from the facilities of any
19 licensee solely on the grounds of race, color, creed, national
20 origin, ancestry, or sex. The power to eject or exclude an
21 occupation licensee or other individual may be exercised for
22 just cause by the licensee, ~~or~~ the Board, or the Office of
23 Gaming Enforcement, subject to subsequent hearing by the Board
24 as to the propriety of said exclusion.

25 (f) The Board is vested with the power to acquire,
26 establish, maintain and operate (or provide by contract to

1 maintain and operate) testing laboratories and related
2 facilities, for the purpose of conducting saliva, blood, urine
3 and other tests on the horses run or to be run in any horse race
4 meeting and to purchase all equipment and supplies deemed
5 necessary or desirable in connection with any such testing
6 laboratories and related facilities and all such tests.

7 (f-5) The Department of Agriculture is vested with the
8 power to acquire, establish, maintain, and operate (or provide
9 by contract to maintain and operate) testing laboratories and
10 related facilities for the purpose of conducting saliva, blood,
11 urine, and other tests on the horses run or to be run in any
12 county fair horse race meeting and of purchasing all equipment
13 and supplies deemed necessary or desirable in connection with
14 any such testing laboratories and related facilities and all
15 such tests in any county fair horse race.

16 (g) The Board may require that the records, including
17 financial or other statements of any licensee or any person
18 affiliated with the licensee who is involved directly or
19 indirectly in the activities of any licensee as regulated under
20 this Act to the extent that those financial or other statements
21 relate to such activities be kept in such manner as prescribed
22 by the Board, and that Board employees shall have access to
23 those records during reasonable business hours. Within 120 days
24 of the end of its fiscal year, each licensee shall transmit to
25 the Board an audit of the financial transactions and condition
26 of the licensee's total operations. All audits shall be

1 conducted by certified public accountants. Each certified
2 public accountant must be registered in the State of Illinois
3 under the Illinois Public Accounting Act. The compensation for
4 each certified public accountant shall be paid directly by the
5 licensee to the certified public accountant. A licensee shall
6 also submit any other financial or related information the
7 Board deems necessary to effectively administer this Act and
8 all rules, regulations, and final decisions promulgated under
9 this Act.

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

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

1 of this Act.

2 (j) The Board may discharge any Board employee who fails or
3 refuses for any reason to comply with the rules and regulations
4 of the Board, or who, in the opinion of the Board, is guilty of
5 fraud, dishonesty or who is proven to be incompetent. The Board
6 shall have no right or power to determine who shall be
7 officers, directors or employees of any licensee, or their
8 salaries except the Board may, by rule, require that all or any
9 officials or employees in charge of or whose duties relate to
10 the actual running of races be approved by the Board.

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

15 (l) The Board is vested with the power to impose civil
16 penalties of up to \$5,000 against an individual and up to
17 \$10,000 against a licensee for each violation of any provision
18 of this Act, any rules adopted by the Board, any order of the
19 Board or any other action which, in the Board's discretion, is
20 a detriment or impediment to horse racing or wagering.

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

24 (n) The Board shall have the power to issue a license to
25 any county fair, or its agent, authorizing the conduct of the
26 pari-mutuel system of wagering. The Board is vested with the

1 full power to promulgate reasonable rules, regulations and
2 conditions under which all horse race meetings licensed
3 pursuant to this subsection shall be held and conducted,
4 including rules, regulations and conditions for the conduct of
5 the pari-mutuel system of wagering. The rules, regulations and
6 conditions shall provide for the prevention of practices
7 detrimental to the public interest and for the best interests
8 of horse racing, and shall prescribe penalties for violations
9 thereof. Any authority granted the Board under this Act shall
10 extend to its jurisdiction and supervision over county fairs,
11 or their agents, licensed pursuant to this subsection. However,
12 the Board may waive any provision of this Act or its rules or
13 regulations which would otherwise apply to such county fairs or
14 their agents.

15 (o) Whenever the Board is authorized or required by law to
16 consider some aspect of criminal history record information for
17 the purpose of carrying out its statutory powers and
18 responsibilities, then, upon request and payment of fees in
19 conformance with the requirements of Section 2605-400 of the
20 Department of State Police Law (20 ILCS 2605/2605-400), the
21 Department of State Police is authorized to furnish, pursuant
22 to positive identification, such information contained in
23 State files as is necessary to fulfill the request.

24 (p) To insure the convenience, comfort, and wagering
25 accessibility of race track patrons, to provide for the
26 maximization of State revenue, and to generate increases in

1 pursue allotments to the horsemen, the Board shall require any
2 licensee to staff the pari-mutuel department with adequate
3 personnel.

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

5 (230 ILCS 5/12.5 new)

6 Sec. 12.5. Contractor disclosure of political
7 contributions.

8 (a) As used in this Section:

9 "Contracts" means any agreement for services or goods for a
10 period to exceed one year or with an annual value of at least
11 \$10,000.

12 "Contribution" means contribution as defined in this Act.

13 "Affiliated person" means (i) any person with any ownership
14 interest or distributive share of the bidding or contracting
15 entity in excess of 5%, (ii) executive employees of the bidding
16 or contracting entity, and (iii) the spouse and minor children
17 of any such persons.

18 "Affiliated entity" means (i) any parent or subsidiary of
19 the bidding or contracting entity, (ii) any member of the same
20 unitary business group, or (iii) any political committee for
21 which the bidding or contracting entity is the sponsoring
22 entity.

23 (b) A bidder, offeror, or contractor for contracts with a
24 licensee shall disclose all political contributions of the
25 bidder, offeror, or contractor and any affiliated person or

1 entity. Such disclosure must accompany any contract. The
2 disclosure must be submitted to the Board with a copy of the
3 contract prior to Board approval of the contract. The
4 disclosure of each successful bidder or offeror shall become
5 part of the publicly available record.

6 (c) Disclosure by the bidder, offeror, or contractor shall
7 include at least the names and addresses of the contributors
8 and the dollar amounts of any contributions to any political
9 committee made within the previous 2 years.

10 (d) The Board shall refuse to approve any contract that
11 does not include the required disclosure. The Board must
12 include the disclosure on its website.

13 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

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

18 (1) the dates on which it intends to conduct the horse
19 race meeting, which dates shall be provided under Section
20 21;

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

23 (3) the location where it proposes to conduct the
24 meeting; and

25 (4) any other information the Board may reasonably

1 require.

2 (b) A separate application for an organization license
3 shall be filed for each horse race meeting which such person
4 proposes to hold. Any such application, if made by an
5 individual, or by any individual as trustee, shall be signed
6 and verified under oath by such individual. If made by
7 individuals or a partnership, it shall be signed and verified
8 under oath by at least 2 of such individuals or members of such
9 partnership as the case may be. If made by an association,
10 corporation, corporate trustee or any other entity, it shall be
11 signed by the president and attested by the secretary or
12 assistant secretary under the seal of such association, trust
13 or corporation if it has a seal, and shall also be verified
14 under oath by one of the signing officers.

15 (c) The application shall specify the name of the persons,
16 association, trust, or corporation making such application and
17 the post office address of the applicant; if the applicant is a
18 trustee, the names and addresses of the beneficiaries; if a
19 corporation, the names and post office addresses of all
20 officers, stockholders and directors; or if such stockholders
21 hold stock as a nominee or fiduciary, the names and post office
22 addresses of these persons, partnerships, corporations, or
23 trusts who are the beneficial owners thereof or who are
24 beneficially interested therein; and if a partnership, the
25 names and post office addresses of all partners, general or
26 limited; if the applicant is a corporation, the name of the

1 state of its incorporation shall be specified.

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

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

24 (e-1) In awarding racing dates for calendar year 2010 and
25 thereafter, the Board shall award at least 625 racing days. In
26 awarding racing dates under this subsection (e-1), the Board

1 shall have the discretion to allocate those racing dates among
2 organization licensees. Of the total racing days awarded, the
3 Board must reserve an amount of racing days to standardbred
4 races in an amount equal to 90% of the amount of days awarded
5 to standardbred races in calendar year 2005. Each racing day
6 awarded for standardbred races must be comprised of at least 12
7 races, with not less than 8 horses competing per race.

8 (e-2) In each county in which an organization licensee is
9 located, the Board shall award a minimum total of 25
10 standardbred racing dates to one or more organization
11 licensees.

12 (e-3) The Board may waive the requirements of subsection
13 (e-1) only if a lesser schedule of live racing is appropriate
14 because of (A) weather or unsafe track conditions due to acts
15 of God; (B) an agreement between the organization licensee and
16 the associations representing the largest number of owners,
17 trainers, jockeys, or standardbred drivers who race horses at
18 that organization licensee's racing meeting; or (C) a finding
19 by the Board of extraordinary circumstances and that it was in
20 the best interest of the public and the sport to conduct fewer
21 days of live racing.

22 (e-4) For each calendar year after 2009 in which an
23 electronic gaming licensee requests a number of racing days
24 under its organization license that is less than 90% of the
25 number of days of live racing it was awarded in 2009, the
26 electronic gaming licensee may not conduct electronic gaming.

1 (e-5) In reviewing an application for the purpose of
2 granting an organization license consistent with the best
3 interests of the public and the sport of horse racing, the
4 Board shall consider:

5 (1) the character, reputation, experience, and
6 financial integrity of the applicant and of any other
7 separate person that either:

8 (i) controls the applicant, directly or
9 indirectly, or

10 (ii) is controlled, directly or indirectly, by
11 that applicant or by a person who controls, directly or
12 indirectly, that applicant;

13 (2) the applicant's facilities or proposed facilities
14 for conducting horse racing;

15 (3) the total revenue without regard to Section 32.1 to
16 be derived by the State and horsemen from the applicant's
17 conducting a race meeting;

18 (4) the applicant's good faith affirmative action plan
19 to recruit, train, and upgrade minorities in all employment
20 classifications;

21 (5) the applicant's financial ability to purchase and
22 maintain adequate liability and casualty insurance;

23 (6) the applicant's proposed and prior year's
24 promotional and marketing activities and expenditures of
25 the applicant associated with those activities;

26 (7) an agreement, if any, among organization licensees

1 as provided in subsection (b) of Section 21 of this Act;
2 and

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

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

12 (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 notwithstanding the provisions of subsection (b) of Section
16 10-40 of the Illinois Administrative Procedure Act regarding
17 cross-examination, the Board may prescribe rules limiting the
18 right of an applicant or participant in any proceeding to award
19 an organization license to conduct cross-examination of
20 witnesses at that proceeding where that cross-examination
21 would unduly obstruct the timely award of an organization
22 license under subsection (e) of Section 20 of this Act; (2) the
23 provisions of Section 10-45 of the Illinois Administrative
24 Procedure Act regarding proposals for decision are excluded
25 under this Act; (3) notwithstanding the provisions of
26 subsection (a) of Section 10-60 of the Illinois Administrative

1 Procedure Act regarding ex parte communications, the Board may
2 prescribe rules allowing ex parte communications with
3 applicants or participants in a proceeding to award an
4 organization license where conducting those communications
5 would be in the best interest of racing, provided all those
6 communications are made part of the record of that proceeding
7 pursuant to subsection (c) of Section 10-60 of the Illinois
8 Administrative Procedure Act; (4) the provisions of Section 14a
9 of this Act and the rules of the Board promulgated under that
10 Section shall apply instead of the provisions of Article 10 of
11 the Illinois Administrative Procedure Act regarding
12 administrative law judges; and (5) the provisions of subsection
13 (d) of Section 10-65 of the Illinois Administrative Procedure
14 Act that prevent summary suspension of a license pending
15 revocation or other action shall not apply.

16 (f) The Board may allot racing dates to an organization
17 licensee for more than one calendar year but for no more than 3
18 successive calendar years in advance, provided that the Board
19 shall review such allotment for more than one calendar year
20 prior to each year for which such allotment has been made. The
21 granting of an organization license to a person constitutes a
22 privilege to conduct a horse race meeting under the provisions
23 of this Act, and no person granted an organization license
24 shall be deemed to have a vested interest, property right, or
25 future expectation to receive an organization license in any
26 subsequent year as a result of the granting of an organization

1 license. Organization licenses shall be subject to revocation
2 if the organization licensee has violated any provision of this
3 Act or the rules and regulations promulgated under this Act or
4 has been convicted of a crime or has failed to disclose or has
5 stated falsely any information called for in the application
6 for an organization license. Any organization license
7 revocation proceeding shall be in accordance with Section 16
8 regarding suspension and revocation of occupation licenses.

9 (f-5) If, (i) an applicant does not file an acceptance of
10 the racing dates awarded by the Board as required under part
11 (1) of subsection (h) of this Section 20, or (ii) an
12 organization licensee has its license suspended or revoked
13 under this Act, the Board, upon conducting an emergency hearing
14 as provided for in this Act, may reaward on an emergency basis
15 pursuant to rules established by the Board, racing dates not
16 accepted or the racing dates associated with any suspension or
17 revocation period to one or more organization licensees, new
18 applicants, or any combination thereof, upon terms and
19 conditions that the Board determines are in the best interest
20 of racing, provided, the organization licensees or new
21 applicants receiving the awarded racing dates file an
22 acceptance of those reawarded racing dates as required under
23 paragraph (1) of subsection (h) of this Section 20 and comply
24 with the other provisions of this Act. The Illinois
25 Administrative Procedures Act shall not apply to the
26 administrative procedures of the Board in conducting the

1 emergency hearing and the reallocation of racing dates on an
2 emergency basis.

3 (g) (Blank).

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

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

11 (1) file with the Board an acceptance of such award in
12 the form prescribed by the Board;

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

15 (3) file with the Board the bonds required in Sections
16 21 and 25 at least 20 days prior to the first day of each
17 race meeting.

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

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

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

25 (230 ILCS 5/21.5 new)

1 Sec. 21.5. License fees; deposit.

2 (a) The Board shall annually determine the annual cost of
3 maintaining control and regulatory activities contemplated by
4 this Act for each individual licensee. The Office of Gaming
5 Enforcement shall certify to the Board actual and prospective
6 costs of the investigative and enforcement functions of the
7 Office. These costs, together with the general operating
8 expenses of the Board, shall be the basis for the fee imposed
9 on each licensee. Each individual licensee's fees shall be
10 based upon disproportionate costs for each individual
11 licensee.

12 (b) Upon issuance or the first renewal of an organization
13 license after the effective date of this amendatory Act of the
14 96th General Assembly, an organization licensee shall deposit
15 \$100,000 into a fund held by the Director of the Office of
16 Gaming Enforcement separate from State moneys. The moneys in
17 the fund shall be used by the Director of the Office of Gaming
18 Enforcement for the purpose of conducting any investigation
19 concerning that licensee. Upon each subsequent renewal of an
20 organization license, the organization licensee shall deposit
21 the amount necessary to bring the moneys in the fund
22 attributable to that licensee to \$100,000.

23 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

24 Sec. 25. Admission fee.

25 (a) There shall be paid to the Board at such time or times

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

19 Accurate records and books shall at all times be kept and
20 maintained by the organization licensees and inter-track
21 wagering licensees showing the admission tickets issued and
22 used on each racing day and the attendance thereat of each
23 horse racing meeting. The Board or its duly authorized
24 representative or representatives shall at all reasonable
25 times have access to the admission records of any organization
26 licensee and inter-track wagering licensee for the purpose of

1 examining and checking the same and ascertaining whether or not
2 the proper amount has been or is being paid the State of
3 Illinois as herein provided. The Board shall also require,
4 before issuing any license, that the licensee shall execute and
5 deliver to it a bond, payable to the State of Illinois, in such
6 sum as it shall determine, not, however, in excess of fifty
7 thousand dollars (\$50,000), with a surety or sureties to be
8 approved by it, conditioned for the payment of all sums due and
9 payable or collected by it under this Section upon admission
10 fees received for any particular racing meetings. The Board may
11 also from time to time require sworn statements of the number
12 or numbers of such admissions and may prescribe blanks upon
13 which such reports shall be made. Any organization licensee or
14 inter-track wagering licensee failing or refusing to pay the
15 amount found to be due as herein provided, shall be deemed
16 guilty of a business offense and upon conviction shall be
17 punished by a fine of not more than five thousand dollars
18 (\$5,000) in addition to the amount due from such organization
19 licensee or inter-track wagering licensee as herein provided.
20 All fines paid into court by an organization licensee or
21 inter-track wagering licensee found guilty of violating this
22 Section shall be transmitted and paid over by the clerk of the
23 court to the Board.

24 (b) A person who exits the grounds or enclosure of each
25 organization licensee and inter-track wagering licensee and
26 reenters such grounds or enclosure within the same day shall be

1 subject to only the initial admissions tax.

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

3 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

4 Sec. 26. Wagering.

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

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

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

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

18 (c-5) Beginning January 1, 2000, the sum held by any
19 licensee for payment of outstanding pari-mutuel tickets, if
20 unclaimed prior to December 31 of the next year, shall be
21 retained by the licensee for payment of such tickets until that
22 date; except that the balance of the sum of all outstanding
23 pari-mutuel tickets generated from simulcast wagering by an
24 organization licensee located in Madison County or any licensee
25 that derives its license from that organization licensee shall
26 be evenly distributed between the organization licensee and the

1 purse account of the organization licensee. Additionally, the
2 balance of the sum of all outstanding pari-mutuel tickets
3 generated from inter-track wagering from an organization
4 licensee located in Madison County shall be evenly distributed
5 between the purse account of the organization licensee from
6 which the inter-track wagering licensee and the inter-track
7 wagering location licensee derive their licenses and the
8 organization licensee. Within 10 days thereafter, the balance
9 of such sum remaining unclaimed, less any uncashed supplements
10 contributed by such licensee for the purpose of guaranteeing
11 minimum distributions of any pari-mutuel pool, shall be evenly
12 distributed to the purse account of the organization licensee
13 and the organization licensee.

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

19 (e) No licensee shall knowingly permit any minor, other
20 than an employee of such licensee or an owner, trainer, jockey,
21 driver, or employee thereof, to be admitted during a racing
22 program unless accompanied by a parent or guardian, or any
23 minor to be a patron of the pari-mutuel system of wagering
24 conducted or supervised by it. The admission of any
25 unaccompanied minor, other than an employee of the licensee or
26 an owner, trainer, jockey, driver, or employee thereof at a

1 race track is a Class C misdemeanor.

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

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

1 with its gross or net wagering pools or with wagering pools
2 established by other states.

3 (g) A host track may accept interstate simulcast wagers on
4 horse races conducted in other states or countries and shall
5 control the number of signals and types of breeds of racing in
6 its simulcast program, subject to the disapproval of the Board.
7 The Board may prohibit a simulcast program only if it finds
8 that the simulcast program is clearly adverse to the integrity
9 of racing. The host track simulcast program shall include the
10 signal of live racing of all organization licensees. All
11 non-host licensees and advance deposit wagering licensees
12 shall carry the signal of and accept wagers on live racing of
13 all organization licensees. Advance deposit wagering licensees
14 shall not be permitted to accept out-of-state wagers on any
15 Illinois signal provided pursuant to this Section without the
16 approval and consent of the organization licensee providing the
17 signal. Non-host licensees may carry the host track simulcast
18 program and shall accept wagers on all races included as part
19 of the simulcast program upon which wagering is permitted. All
20 organization licensees shall provide their live signal to all
21 advance deposit wagering licensees for a simulcast commission
22 fee not to exceed 6% of the advance deposit wagering licensee's
23 Illinois handle on the organization licensee's signal without
24 prior approval by the Board. The Board may adopt rules under
25 which it may permit simulcast commission fees in excess of 6%.
26 However, organization licensees providing live signals

1 pursuant to the requirements of this subsection (g) may
2 petition the Board to withhold their live signals from an
3 advance deposit wagering licensee if the organization licensee
4 discovers and the Board finds reputable or credible information
5 that the advance deposit wagering licensee is under
6 investigation by another state or federal governmental agency,
7 the advance deposit wagering licensee's license has been
8 suspended in another state, or the advance deposit wagering
9 licensee's license is in revocation proceedings in another
10 state. The organization licensee's provision of their live
11 signal to an advance deposit wagering licensee under this
12 subsection (g) pertains to wagers placed from within Illinois.

13 The costs and expenses of the host track and non-host licensees
14 associated with interstate simulcast wagering, other than the
15 interstate commission fee, shall be borne by the host track and
16 all non-host licensees incurring these costs. The interstate
17 commission fee shall not exceed 5% of Illinois handle on the
18 interstate simulcast race or races without prior approval of
19 the Board. The Board shall promulgate rules under which it may
20 permit interstate commission fees in excess of 5%. The
21 interstate commission fee and other fees charged by the sending
22 racetrack, including, but not limited to, satellite decoder
23 fees, shall be uniformly applied to the host track and all
24 non-host licensees.

25 Notwithstanding any other provision of this Act, an
26 organization licensee may maintain a system whereby advance

1 deposit wagering may take place or an organization licensee,
2 with the consent of the horsemen association representing the
3 largest number of owners, trainers, jockeys, or standardbred
4 drivers who race horses at that organization licensee's racing
5 meeting, may contract with another person to carry out a system
6 of advance deposit wagering. Such consent may not be
7 unreasonably withheld. All advance deposit wagers placed from
8 within Illinois must be placed through a Board-approved advance
9 deposit wagering licensee; no other entity may accept an
10 advance deposit wager from a person within Illinois. All
11 advance deposit wagering is subject to any rules adopted by the
12 Board. The Board may adopt rules necessary to regulate advance
13 deposit wagering through the use of emergency rulemaking in
14 accordance with Section 5-45 of the Illinois Administrative
15 Procedure Act. The General Assembly finds that the adoption of
16 rules to regulate advance deposit wagering is deemed an
17 emergency and necessary for the public interest, safety, and
18 welfare. An advance deposit wagering licensee may retain all
19 moneys as agreed to by contract with an organization licensee.
20 Any moneys retained by the organization licensee from advance
21 deposit wagering, not including moneys retained by the advance
22 deposit wagering licensee, shall be paid 50% to the
23 organization licensee's purse account and 50% to the
24 organization licensee. If more than one breed races at the same
25 race track facility, then the 50% of the moneys to be paid to
26 an organization licensee's purse account shall be allocated

1 among all organization licensees purse accounts operating at
2 that race track facility proportionately based on the actual
3 number of host days that the Board grants to that breed at that
4 race track facility in the current calendar year. To the extent
5 any fees from advance deposit wagering conducted in Illinois
6 for wagers in Illinois or other states have been placed in
7 escrow or otherwise withheld from wagers pending a
8 determination of the legality of advance deposit wagering, no
9 action shall be brought to declare such wagers or the
10 disbursement of any fees previously escrowed illegal.

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

1 receiving the simulcast.

2 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
3 intertrack wagering licensee other than the host track may
4 receive supplemental interstate simulcasts only with the
5 consent of the host track, except when the Board finds that
6 the simulcast is clearly adverse to the integrity of
7 racing. Consent granted under this paragraph (2) to any
8 intertrack wagering licensee shall be deemed consent to all
9 non-host licensees. The interstate commission fee for the
10 supplemental interstate simulcast shall be paid by all
11 participating non-host licensees.

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

1 subsection (h) of Section 26 of this Act.

2 (4) A licensee who receives an interstate simulcast may
3 combine its gross or net pools with pools at the sending
4 racetracks pursuant to rules established by the Board. All
5 licensees combining their gross pools at a sending
6 racetrack shall adopt the take-out percentages of the
7 sending racetrack. A licensee may also establish a separate
8 pool and takeout structure for wagering purposes on races
9 conducted at race tracks outside of the State of Illinois.
10 The licensee may permit pari-mutuel wagers placed in other
11 states or countries to be combined with its gross or net
12 wagering pools or other wagering pools.

13 (5) After the payment of the interstate commission fee
14 (except for the interstate commission fee on a supplemental
15 interstate simulcast, which shall be paid by the host track
16 and by each non-host licensee through the host-track) and
17 all applicable State and local taxes, except as provided in
18 subsection (g) of Section 27 of this Act, the remainder of
19 moneys retained from simulcast wagering pursuant to this
20 subsection (g), and Section 26.2 shall be divided as
21 follows:

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

25 (B) For wagers placed on interstate simulcast
26 races, supplemental simulcasts as defined in

1 subparagraphs (1) and (2), and separately pooled races
2 conducted outside of the State of Illinois made at a
3 non-host licensee, 25% to the host track, 25% to the
4 non-host licensee, and 50% to the purses at the host
5 track.

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

14 (7) Notwithstanding any provision of this Act to the
15 contrary, after payment of all applicable State and local
16 taxes and interstate commission fees, non-host licensees
17 who derive their licenses from a track located in a county
18 with a population in excess of 230,000 and that borders the
19 Mississippi River shall retain 50% of the retention from
20 interstate simulcast wagers and shall pay 50% to purses at
21 the track from which the non-host licensee derives its
22 license as follows:

23 (A) Between January 1 and the third Friday in
24 February, inclusive, if no live thoroughbred racing is
25 occurring in Illinois during this period, when the
26 interstate simulcast is a standardbred race, the purse

1 share to its standardbred purse account;

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

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

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

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

25 (7.1) Notwithstanding any other provision of this Act
26 to the contrary, if no standardbred racing is conducted at

1 a racetrack located in Madison County during any calendar
2 year beginning on or after January 1, 2002, all moneys
3 derived by that racetrack from simulcast wagering and
4 inter-track wagering that (1) are to be used for purses and
5 (2) are generated between the hours of 6:30 p.m. and 6:30
6 a.m. during that calendar year shall be paid as follows:

7 (A) If the licensee that conducts horse racing at
8 that racetrack requests from the Board at least as many
9 racing dates as were conducted in calendar year 2000,
10 80% shall be paid to its thoroughbred purse account;
11 and

12 (B) Twenty percent shall be deposited into the
13 Illinois Colt Stakes Purse Distribution Fund and shall
14 be paid to purses for standardbred races for Illinois
15 conceived and foaled horses conducted at any county
16 fairgrounds. The moneys deposited into the Fund
17 pursuant to this subparagraph (B) shall be deposited
18 within 2 weeks after the day they were generated, shall
19 be in addition to and not in lieu of any other moneys
20 paid to standardbred purses under this Act, and shall
21 not be commingled with other moneys paid into that
22 Fund. The moneys deposited pursuant to this
23 subparagraph (B) shall be allocated as provided by the
24 Department of Agriculture, with the advice and
25 assistance of the Illinois Standardbred Breeders Fund
26 Advisory Board.

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

10 (A) If the licensee that conducts horse racing at
11 that racetrack requests from the Board at least as many
12 racing dates as were conducted in calendar year 2000,
13 80% shall be deposited into its standardbred purse
14 account; and

15 (B) Twenty percent shall be deposited into the
16 Illinois Colt Stakes Purse Distribution Fund, which is
17 created as a non-appropriated trust fund administered
18 by the Department of Agriculture and held separate and
19 apart from State moneys. Moneys deposited into the
20 Illinois Colt Stakes Purse Distribution Fund pursuant
21 to this subparagraph (B) may be used (i) at the
22 discretion of the Department, for drug testing as
23 authorized in Section 34.3 of this Act and for
24 distribution to Illinois county fairs to supplement
25 premiums offered in junior classes and (ii) by the
26 Department of Agriculture for the purposes identified

1 in paragraphs (2), (2.5), (4), (4.1), (6), (7), (8),
2 and (9) of subsection (g) of Section 30, subsection (e)
3 of Section 30.5, paragraphs (1), (2), (3), (5), and (8)
4 of subsection (g) of Section 31, and for standardbred
5 bonus programs for owners of horses that win multiple
6 stakes races that are limited to Illinois conceived and
7 foaled horses. Any balance shall be paid to Illinois
8 conceived and foaled thoroughbred breeders' programs
9 and to thoroughbred purses for races conducted at any
10 county fairgrounds for Illinois conceived and foaled
11 horses at the discretion of the Department of
12 Agriculture, with the advice and assistance of the
13 Illinois Thoroughbred Breeders Fund Advisory Board.
14 The moneys deposited into the Illinois Colt Stakes
15 Purse Distribution Fund pursuant to this subparagraph
16 (B) shall be deposited within 2 weeks after the day
17 they were generated, shall be in addition to and not in
18 lieu of any other moneys paid to thoroughbred purses
19 under this Act, and shall not be commingled with other
20 moneys deposited into that Fund. The Illinois Colt
21 Stakes Purse Distribution Fund shall not be subject to
22 administrative charges or charge backs, including, but
23 not limited to, those authorized under Section 8h of
24 the State Finance Act.

25 (7.3) If no live standardbred racing is conducted at a
26 racetrack located in Madison County in calendar year 2000

1 or 2001, an organization licensee who is licensed to
2 conduct horse racing at that racetrack shall, before
3 January 1, 2002, pay all moneys derived from simulcast
4 wagering and inter-track wagering in calendar years 2000
5 and 2001 and paid into the licensee's standardbred purse
6 account as follows:

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

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

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

16 Moneys paid into the Illinois Colt Stakes Purse
17 Distribution Fund pursuant to this paragraph (7.3) shall be
18 paid to purses for standardbred races for Illinois
19 conceived and foaled horses conducted at any county
20 fairgrounds. Moneys paid into the Illinois Colt Stakes
21 Purse Distribution Fund pursuant to this paragraph (7.3)
22 shall be used as determined by the Department of
23 Agriculture, with the advice and assistance of the Illinois
24 Standardbred Breeders Fund Advisory Board, shall be in
25 addition to and not in lieu of any other moneys paid to
26 standardbred purses under this Act, and shall not be

1 commingled with any other moneys paid into that Fund.

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

13 (7.5) Notwithstanding any provision of this Act to the
14 contrary, if live standardbred racing and live
15 thoroughbred racing are both conducted at a racetrack
16 located in Madison County at any time in a calendar year,
17 all moneys derived by that racetrack from simulcast
18 wagering and inter-track wagering between the hours of 6:30
19 p.m. and 6:30 a.m. that are to be used for purses shall be
20 deposited as follows: 70% shall be paid to its thoroughbred
21 purse account and 30% shall be paid to its standardbred
22 purse account.

23 (8) Notwithstanding any provision in this Act to the
24 contrary, an organization licensee from a track located in
25 a county with a population in excess of 230,000 and that
26 borders the Mississippi River and its affiliated non-host

1 licenses shall not be entitled to share in any retention
2 generated on racing, inter-track wagering, or simulcast
3 wagering at any other Illinois wagering facility.

4 (8.1) Notwithstanding any provisions in this Act to the
5 contrary, if 2 organization licensees are conducting
6 standardbred race meetings concurrently between the hours
7 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
8 State and local taxes and interstate commission fees, the
9 remainder of the amount retained from simulcast wagering
10 otherwise attributable to the host track and to host track
11 purses shall be split daily between the 2 organization
12 licensees and the purses at the tracks of the 2
13 organization licensees, respectively, based on each
14 organization licensee's share of the total live handle for
15 that day, provided that this provision shall not apply to
16 any non-host licensee that derives its license from a track
17 located in a county with a population in excess of 230,000
18 and that borders the Mississippi River.

19 (9) (Blank).

20 (10) (Blank).

21 (11) (Blank).

22 (12) The Board shall have authority to compel all host
23 tracks to receive the simulcast of any or all races
24 conducted at the Springfield or DuQuoin State fairgrounds
25 and include all such races as part of their simulcast
26 programs.

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

1 during the succeeding year; and (iii) the need to ensure
2 reasonable purse levels during the payment period. The
3 Board's certification shall be provided no later than
4 January 31 of the succeeding year. In the event a wagering
5 facility entitled to a payment under this paragraph (13) is
6 affiliated with a race track that maintains purse accounts
7 for both standardbred and thoroughbred racing, the amount
8 to be paid to the wagering facility shall be divided
9 between each purse account pro rata, based on the amount of
10 Illinois handle on Illinois standardbred and thoroughbred
11 racing respectively at the wagering facility during the
12 previous calendar year. Annually, the General Assembly
13 shall appropriate sufficient funds from the General
14 Revenue Fund to the Department of Agriculture for payment
15 into the thoroughbred and standardbred horse racing purse
16 accounts at Illinois pari-mutuel tracks. The amount paid to
17 each purse account shall be the amount certified by the
18 Illinois Racing Board in January to be transferred from
19 each account to each eligible racing facility in accordance
20 with the provisions of this Section. For the calendar year
21 in which an organization licensee that is eligible to
22 receive a payment under this paragraph (13) begins
23 conducting electronic gaming pursuant to an electronic
24 gaming license, the amount of that payment shall be reduced
25 by a percentage equal to the percentage of the year
26 remaining after the organization licensee begins

1 conducting electronic gaming pursuant to its electronic
2 gaming license. An organization licensee shall no longer be
3 able to receive payments under this paragraph (13)
4 beginning on the January 1 first occurring after the
5 licensee begins conducting electronic gaming pursuant to
6 an electronic gaming license issued under Section 7.7 of
7 the Illinois Gambling Act.

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

12 (1) Any person licensed to conduct a race meeting (i)
13 at a track where 60 or more days of racing were conducted
14 during the immediately preceding calendar year or where
15 over the 5 immediately preceding calendar years an average
16 of 30 or more days of racing were conducted annually may be
17 issued an inter-track wagering license; (ii) at a track
18 located in a county that is bounded by the Mississippi
19 River, which has a population of less than 150,000
20 according to the 1990 decennial census, and an average of
21 at least 60 days of racing per year between 1985 and 1993
22 may be issued an inter-track wagering license; or (iii) at
23 a track located in Madison County that conducted at least
24 100 days of live racing during the immediately preceding
25 calendar year may be issued an inter-track wagering
26 license, unless a lesser schedule of live racing is the

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

26 (2) The Board shall examine the applications with

1 respect to their conformity with this Act and the rules and
2 regulations imposed by the Board. If found to be in
3 compliance with the Act and rules and regulations of the
4 Board, the Board may then issue a license to conduct
5 inter-track wagering and simulcast wagering to such
6 applicant. All such applications shall be acted upon by the
7 Board at a meeting to be held on such date as may be fixed
8 by the Board.

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

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

24 (5) Each license to conduct inter-track wagering and
25 simulcast wagering shall specify the person to whom it is
26 issued, the dates on which such wagering is permitted, and

1 the track or location where the wagering is to be
2 conducted.

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

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

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

14 (8.1) Inter-track wagering location licensees who
15 derive their licenses from a particular organization
16 licensee shall conduct inter-track wagering and simulcast
17 wagering only at locations which are either within 90 miles
18 of that race track where the particular organization
19 licensee is licensed to conduct racing, or within 135 miles
20 of that race track where the particular organization
21 licensee is licensed to conduct racing in the case of race
22 tracks in counties of less than 400,000 that were operating
23 on or before June 1, 1986. However, inter-track wagering
24 and simulcast wagering shall not be conducted by those
25 licensees at any location within 5 miles of any race track
26 at which a horse race meeting has been licensed in the

1 current year, unless the person having operating control of
2 such race track has given its written consent to such
3 inter-track wagering location licensees, which consent
4 must be filed with the Board at or prior to the time
5 application is made.

6 (8.2) Inter-track wagering or simulcast wagering shall
7 not be conducted by an inter-track wagering location
8 licensee at any location within 500 feet of an existing
9 church or existing school, nor within 500 feet of the
10 residences of more than 50 registered voters without
11 receiving written permission from a majority of the
12 registered voters at such residences. Such written
13 permission statements shall be filed with the Board. The
14 distance of 500 feet shall be measured to the nearest part
15 of any building used for worship services, education
16 programs, residential purposes, or conducting inter-track
17 wagering by an inter-track wagering location licensee, and
18 not to property boundaries. However, inter-track wagering
19 or simulcast wagering may be conducted at a site within 500
20 feet of a church, school or residences of 50 or more
21 registered voters if such church, school or residences have
22 been erected or established, or such voters have been
23 registered, after the Board issues the original
24 inter-track wagering location license at the site in
25 question. Inter-track wagering location licensees may
26 conduct inter-track wagering and simulcast wagering only

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

14 (9) (Blank).

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

25 (10.1) Except as provided in subsection (g) of Section
26 27 of this Act, inter-track wagering location licensees

1 shall pay 1% of the pari-mutuel handle at each location to
2 the municipality in which such location is situated and 1%
3 of the pari-mutuel handle at each location to the county in
4 which such location is situated. In the event that an
5 inter-track wagering location licensee is situated in an
6 unincorporated area of a county, such licensee shall pay 2%
7 of the pari-mutuel handle from such location to such
8 county.

9 (10.2) Notwithstanding any other provision of this
10 Act, with respect to intertrack wagering at a race track
11 located in a county that has a population of more than
12 230,000 and that is bounded by the Mississippi River ("the
13 first race track"), or at a facility operated by an
14 inter-track wagering licensee or inter-track wagering
15 location licensee that derives its license from the
16 organization licensee that operates the first race track,
17 on races conducted at the first race track or on races
18 conducted at another Illinois race track and
19 simultaneously televised to the first race track or to a
20 facility operated by an inter-track wagering licensee or
21 inter-track wagering location licensee that derives its
22 license from the organization licensee that operates the
23 first race track, those moneys shall be allocated as
24 follows:

25 (A) That portion of all moneys wagered on
26 standardbred racing that is required under this Act to

1 be paid to purses shall be paid to purses for
2 standardbred races.

3 (B) That portion of all moneys wagered on
4 thoroughbred racing that is required under this Act to
5 be paid to purses shall be paid to purses for
6 thoroughbred races.

7 (11) (A) After payment of the privilege or pari-mutuel
8 tax, any other applicable taxes, and the costs and expenses
9 in connection with the gathering, transmission, and
10 dissemination of all data necessary to the conduct of
11 inter-track wagering, the remainder of the monies retained
12 under either Section 26 or Section 26.2 of this Act by the
13 inter-track wagering licensee on inter-track wagering
14 shall be allocated with 50% to be split between the 2
15 participating licensees and 50% to purses, except that an
16 intertrack wagering licensee that derives its license from
17 a track located in a county with a population in excess of
18 230,000 and that borders the Mississippi River shall not
19 divide any remaining retention with the Illinois
20 organization licensee that provides the race or races, and
21 an intertrack wagering licensee that accepts wagers on
22 races conducted by an organization licensee that conducts a
23 race meet in a county with a population in excess of
24 230,000 and that borders the Mississippi River shall not
25 divide any remaining retention with that organization
26 licensee.

1 (B) From the sums permitted to be retained pursuant to
2 paragraph (10) of this subsection (h), ~~this Act~~ each
3 inter-track wagering location licensee shall pay the
4 following:

5 (i) the privilege or pari-mutuel tax to the State;

6 (ii) 4.75% of the pari-mutuel handle on intertrack
7 wagering at such location on races as purses, except
8 that an intertrack wagering location licensee that
9 derives its license from a track located in a county
10 with a population in excess of 230,000 and that borders
11 the Mississippi River shall retain all purse moneys for
12 its own purse account consistent with distribution set
13 forth in this subsection (h), and intertrack wagering
14 location licensees that accept wagers on races
15 conducted by an organization licensee located in a
16 county with a population in excess of 230,000 and that
17 borders the Mississippi River shall distribute all
18 purse moneys to purses at the operating host track;

19 (iii) until January 1, 2000, except as provided in
20 subsection (g) of Section 27 of this Act, 1% of the
21 pari-mutuel handle wagered on inter-track wagering and
22 simulcast wagering at each inter-track wagering
23 location licensee facility to the Horse Racing Tax
24 Allocation Fund, provided that, to the extent the total
25 amount collected and distributed to the Horse Racing
26 Tax Allocation Fund under this subsection (h) during

1 any calendar year exceeds the amount collected and
2 distributed to the Horse Racing Tax Allocation Fund
3 during calendar year 1994, that excess amount shall be
4 redistributed (I) to all inter-track wagering location
5 licensees, based on each licensee's pro-rata share of
6 the total handle from inter-track wagering and
7 simulcast wagering for all inter-track wagering
8 location licensees during the calendar year in which
9 this provision is applicable; then (II) the amounts
10 redistributed to each inter-track wagering location
11 licensee as described in subpart (I) shall be further
12 redistributed as provided in subparagraph (B) of
13 paragraph (5) of subsection (g) of this Section 26
14 provided first, that the shares of those amounts, which
15 are to be redistributed to the host track or to purses
16 at the host track under subparagraph (B) of paragraph
17 (5) of subsection (g) of this Section 26 shall be
18 redistributed based on each host track's pro rata share
19 of the total inter-track wagering and simulcast
20 wagering handle at all host tracks during the calendar
21 year in question, and second, that any amounts
22 redistributed as described in part (I) to an
23 inter-track wagering location licensee that accepts
24 wagers on races conducted by an organization licensee
25 that conducts a race meet in a county with a population
26 in excess of 230,000 and that borders the Mississippi

1 River shall be further redistributed as provided in
2 subparagraphs (D) and (E) of paragraph (7) of
3 subsection (g) of this Section 26, with the portion of
4 that further redistribution allocated to purses at
5 that organization licensee to be divided between
6 standardbred purses and thoroughbred purses based on
7 the amounts otherwise allocated to purses at that
8 organization licensee during the calendar year in
9 question; and

10 (iv) 8% of the pari-mutuel handle on inter-track
11 wagering wagered at such location to satisfy all costs
12 and expenses of conducting its wagering. The remainder
13 of the monies retained by the inter-track wagering
14 location licensee shall be allocated 40% to the
15 location licensee and 60% to the organization licensee
16 which provides the Illinois races to the location,
17 except that an intertrack wagering location licensee
18 that derives its license from a track located in a
19 county with a population in excess of 230,000 and that
20 borders the Mississippi River shall not divide any
21 remaining retention with the organization licensee
22 that provides the race or races and an intertrack
23 wagering location licensee that accepts wagers on
24 races conducted by an organization licensee that
25 conducts a race meet in a county with a population in
26 excess of 230,000 and that borders the Mississippi

1 River shall not divide any remaining retention with the
2 organization licensee.

3 Notwithstanding the provisions of clauses (ii) and
4 (iv) of this paragraph, in the case of the additional
5 inter-track wagering location licenses authorized under
6 paragraph (1) of this subsection (h) by this amendatory Act
7 of 1991, those licensees shall pay the percentage of the
8 pari-mutuel handle required under clause (ii) of this
9 paragraph (B) following amounts as purses. ~~The~~ ~~:-~~ ~~during the~~
10 ~~first 12 months the licensee is in operation, 5.25% of the~~
11 ~~pari-mutuel handle wagered at the location on races; during~~
12 ~~the second 12 months, 5.25%; during the third 12 months,~~
13 ~~5.75%; during the fourth 12 months, 6.25%; and during the~~
14 ~~fifth 12 months and thereafter, 6.75%. The following~~
15 ~~amounts shall be retained by the licensee~~ shall retain the
16 percentage of the pari-mutuel handle required under clause
17 (iv) of this paragraph (B) to satisfy all costs and
18 expenses of conducting its wagering: ~~during the first 12~~
19 ~~months the licensee is in operation, 8.25% of the~~
20 ~~pari-mutuel handle wagered at the location; during the~~
21 ~~second 12 months, 8.25%; during the third 12 months, 7.75%;~~
22 ~~during the fourth 12 months, 7.25%; and during the fifth 12~~
23 ~~months and thereafter, 6.75%. For additional intertrack~~
24 wagering location licensees authorized under Public Act
25 89-16, after all taxes are paid, of the remainder, 50%
26 shall be retained by the licensee and 50% shall be paid to

1 ~~purses. this amendatory Act of 1995, purses for the first~~
2 ~~12 months the licensee is in operation shall be 5.75% of~~
3 ~~the pari-mutuel wagered at the location, purses for the~~
4 ~~second 12 months the licensee is in operation shall be~~
5 ~~6.25%, and purses thereafter shall be 6.75%. For additional~~
6 ~~intertrack location licensees authorized under this~~
7 ~~amendatory Act of 1995, the licensee shall be allowed to~~
8 ~~retain to satisfy all costs and expenses: 7.75% of the~~
9 ~~pari-mutuel handle wagered at the location during its first~~
10 ~~12 months of operation, 7.25% during its second 12 months~~
11 ~~of operation, and 6.75% thereafter.~~

12 (C) There is hereby created the Horse Racing Tax
13 Allocation Fund which shall remain in existence until
14 December 31, 1999. Moneys remaining in the Fund after
15 December 31, 1999 shall be paid into the General Revenue
16 Fund. Until January 1, 2000, all monies paid into the Horse
17 Racing Tax Allocation Fund pursuant to this paragraph (11)
18 by inter-track wagering location licensees located in park
19 districts of 500,000 population or less, or in a
20 municipality that is not included within any park district
21 but is included within a conservation district and is the
22 county seat of a county that (i) is contiguous to the state
23 of Indiana and (ii) has a 1990 population of 88,257
24 according to the United States Bureau of the Census, and
25 operating on May 1, 1994 shall be allocated by
26 appropriation as follows:

1 Two-sevenths to the Department of Agriculture.
2 Fifty percent of this two-sevenths shall be used to
3 promote the Illinois horse racing and breeding
4 industry, and shall be distributed by the Department of
5 Agriculture upon the advice of a 9-member committee
6 appointed by the Governor consisting of the following
7 members: the Director of Agriculture, who shall serve
8 as chairman; 2 representatives of organization
9 licensees conducting thoroughbred race meetings in
10 this State, recommended by those licensees; 2
11 representatives of organization licensees conducting
12 standardbred race meetings in this State, recommended
13 by those licensees; a representative of the Illinois
14 Thoroughbred Breeders and Owners Foundation,
15 recommended by that Foundation; a representative of
16 the Illinois Standardbred Owners and Breeders
17 Association, recommended by that Association; a
18 representative of the Horsemen's Benevolent and
19 Protective Association or any successor organization
20 thereto established in Illinois comprised of the
21 largest number of owners and trainers, recommended by
22 that Association or that successor organization; and a
23 representative of the Illinois Harness Horsemen's
24 Association, recommended by that Association.
25 Committee members shall serve for terms of 2 years,
26 commencing January 1 of each even-numbered year. If a

1 representative of any of the above-named entities has
2 not been recommended by January 1 of any even-numbered
3 year, the Governor shall appoint a committee member to
4 fill that position. Committee members shall receive no
5 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 official duties. The remaining 50% of this
9 two-sevenths shall be distributed to county fairs for
10 premiums and rehabilitation as set forth in the
11 Agricultural Fair Act;

12 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 location licensee is located in such a park district)
16 or to conservation districts for museum purposes (if an
17 inter-track wagering location licensee is located in a
18 municipality that is not included within any park
19 district but is included within a conservation
20 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 population of 88,257 according to the United States
23 Bureau of the Census, except that if the conservation
24 district does not maintain a museum, the monies shall
25 be allocated equally between the county and the
26 municipality in which the inter-track wagering

1 location licensee is located for general purposes) or
2 to a municipal recreation board for park purposes (if
3 an inter-track wagering location licensee is located
4 in a municipality that is not included within any park
5 district and park maintenance is the function of the
6 municipal recreation board and the municipality has a
7 1990 population of 9,302 according to the United States
8 Bureau of the Census); provided that the monies are
9 distributed to each park district or conservation
10 district or municipality that does not have a park
11 district in an amount equal to four-sevenths of the
12 amount collected by each inter-track wagering location
13 licensee within the park district or conservation
14 district or municipality for the Fund. Monies that were
15 paid into the Horse Racing Tax Allocation Fund before
16 the effective date of this amendatory Act of 1991 by an
17 inter-track wagering location licensee located in a
18 municipality that is not included within any park
19 district but is included within a conservation
20 district as provided in this paragraph shall, as soon
21 as practicable after the effective date of this
22 amendatory Act of 1991, be allocated and paid to that
23 conservation district as provided in this paragraph.
24 Any park district or municipality not maintaining a
25 museum may deposit the monies in the corporate fund of
26 the park district or municipality where the

1 inter-track wagering location is located, to be used
2 for general purposes; and

3 One-seventh to the Agricultural Premium Fund to be
4 used for distribution to agricultural home economics
5 extension councils in accordance with "An Act in
6 relation to additional support and finances for the
7 Agricultural and Home Economic Extension Councils in
8 the several counties of this State and making an
9 appropriation therefor", approved July 24, 1967.

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

13 Two-sevenths to the Department of Agriculture.
14 Fifty percent of this two-sevenths shall be used to
15 promote the Illinois horse racing and breeding
16 industry, and shall be distributed by the Department of
17 Agriculture upon the advice of a 9-member committee
18 appointed by the Governor consisting of the following
19 members: the Director of Agriculture, who shall serve
20 as chairman; 2 representatives of organization
21 licensees conducting thoroughbred race meetings in
22 this State, recommended by those licensees; 2
23 representatives of organization licensees conducting
24 standardbred race meetings in this State, recommended
25 by those licensees; a representative of the Illinois
26 Thoroughbred Breeders and Owners Foundation,

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

24 Four-sevenths to museums and aquariums located in
25 park districts of over 500,000 population; provided
26 that the monies are distributed in accordance with the

1 previous year's distribution of the maintenance tax
2 for such museums and aquariums as provided in Section 2
3 of the Park District Aquarium and Museum Act; and

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

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

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

26 (ii) If the inter-track wagering licensee,

1 except an intertrack wagering licensee that
2 derives its license from an organization licensee
3 located in a county with a population in excess of
4 230,000 and bounded by the Mississippi River, is
5 also conducting its own race meeting during the
6 same dates, then the purse allocation shall be as
7 follows: 50% to purses at the track where the races
8 wagered on are being conducted; 50% to purses at
9 the track where the inter-track wagering licensee
10 is accepting such wagers.

11 (iii) If the inter-track wagering is being
12 conducted by an inter-track wagering location
13 licensee, except an intertrack wagering location
14 licensee that derives its license from an
15 organization licensee located in a county with a
16 population in excess of 230,000 and bounded by the
17 Mississippi River, the entire purse allocation for
18 Illinois races shall be to purses at the track
19 where the race meeting being wagered on is being
20 held.

21 (12) The Board shall have all powers necessary and
22 proper to fully supervise and control the conduct of
23 inter-track wagering and simulcast wagering by inter-track
24 wagering licensees and inter-track wagering location
25 licensees, including, but not limited to the following:

26 (A) The Board is vested with power to promulgate

1 reasonable rules and regulations for the purpose of
2 administering the conduct of this wagering and to
3 prescribe reasonable rules, regulations and conditions
4 under which such wagering shall be held and conducted.
5 Such rules and regulations are to provide for the
6 prevention of practices detrimental to the public
7 interest and for the best interests of said wagering
8 and to impose penalties for violations thereof.

9 (B) The Board, and any person or persons to whom it
10 delegates this power, is vested with the power to enter
11 the facilities of any licensee to determine whether
12 there has been compliance with the provisions of this
13 Act and the rules and regulations relating to the
14 conduct of such wagering.

15 (C) The Board, and any person or persons to whom it
16 delegates this power, may eject or exclude from any
17 licensee's facilities, any person whose conduct or
18 reputation is such that his presence on such premises
19 may, in the opinion of the Board, call into the
20 question the honesty and integrity of, or interfere
21 with the orderly conduct of such wagering; provided,
22 however, that no person shall be excluded or ejected
23 from such premises solely on the grounds of race,
24 color, creed, national origin, ancestry, or sex.

25 (D) (Blank).

26 (E) The Board is vested with the power to appoint

1 delegates to execute any of the powers granted to it
2 under this Section for the purpose of administering
3 this wagering and any rules and regulations
4 promulgated in accordance with this Act.

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

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

21 (13) The Department of Agriculture may enter into
22 agreements with licensees authorizing such licensees to
23 conduct inter-track wagering on races to be held at the
24 licensed race meetings conducted by the Department of
25 Agriculture. Such agreement shall specify the races of the
26 Department of Agriculture's licensed race meeting upon

1 which the licensees will conduct wagering. In the event
2 that a licensee conducts inter-track pari-mutuel wagering
3 on races from the Illinois State Fair or DuQuoin State Fair
4 which are in addition to the licensee's previously approved
5 racing program, those races shall be considered a separate
6 racing day for the purpose of determining the daily handle
7 and computing the privilege or pari-mutuel tax on that
8 daily handle as provided in Sections 27 and 27.1. Such
9 agreements shall be approved by the Board before such
10 wagering may be conducted. In determining whether to grant
11 approval, the Board shall give due consideration to the
12 best interests of the public and of horse racing. The
13 provisions of paragraphs (1), (8), (8.1), and (8.2) of
14 subsection (h) of this Section which are not specified in
15 this paragraph (13) shall not apply to licensed race
16 meetings conducted by the Department of Agriculture at the
17 Illinois State Fair in Sangamon County or the DuQuoin State
18 Fair in Perry County, or to any wagering conducted on those
19 race meetings.

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

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

25 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

1 Sec. 27. Pari-mutuel tax.

2 (a) A pari-mutuel tax of 1.5% of the pari-mutuel handle is
3 imposed for conducting the pari-mutuel system of wagering
4 permitted under this Act. The pari-mutuel tax imposed by this
5 subsection (a) shall be remitted to the board within 48 hours
6 after the close of racing day upon which it is assessed or
7 within such other time as the Board prescribes.

8 An additional pari-mutuel tax is imposed on the first
9 January 1 that succeeds the first full year in which electronic
10 gaming is initiated by an organizational licensee as follows:

11 An additional 0.5% of the annual pari-mutuel handle
12 above the annual pari-mutuel handle for 2007 up to 125% of
13 the annual pari-mutuel handle for 2007.

14 An additional 1% of the annual pari-mutuel handle 125%
15 or more above the annual pari-mutuel handle for 2007 up to
16 150% of the annual pari-mutuel handle for 2007.

17 An additional 1.5% of the annual pari-mutuel handle
18 150% or more above the annual pari-mutuel handle for 2007
19 up to 175% of the annual pari-mutuel handle for 2007.

20 An additional 2% of the annual pari-mutuel handle 175%
21 or more above the annual pari-mutuel handle for 2007.

22 The additional pari-mutuel tax must be certified by the
23 organization licensee and remitted to the Board by January 31
24 of the subsequent year. In addition to the organization license
25 fee provided by this Act, until January 1, 2000, a graduated
26 privilege tax is hereby imposed for conducting the pari mutuel

1 ~~system of wagering permitted under this Act. Until January 1,~~
2 ~~2000, except as provided in subsection (g) of Section 27 of~~
3 ~~this Act, all of the breakage of each racing day held by any~~
4 ~~licensee in the State shall be paid to the State. Until January~~
5 ~~1, 2000, such daily graduated privilege tax shall be paid by~~
6 ~~the licensee from the amount permitted to be retained under~~
7 ~~this Act. Until January 1, 2000, each day's graduated privilege~~
8 ~~tax, breakage, and Horse Racing Tax Allocation funds shall be~~
9 ~~remitted to the Department of Revenue within 48 hours after the~~
10 ~~close of the racing day upon which it is assessed or within~~
11 ~~such other time as the Board prescribes. The privilege tax~~
12 ~~hereby imposed, until January 1, 2000, shall be a flat tax at~~
13 ~~the rate of 2% of the daily pari mutuel handle except as~~
14 ~~provided in Section 27.1.~~

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

26 ~~This subsection (a) shall be inoperative and of no force~~

1 ~~and effect on and after January 1, 2000.~~

2 ~~(a 5) Beginning on January 1, 2000, a flat pari mutuel tax~~
3 ~~at the rate of 1.5% of the daily pari mutuel handle is imposed~~
4 ~~at all pari mutuel wagering facilities, except as otherwise~~
5 ~~provided for in this subsection (a 5). Beginning on the~~
6 ~~effective date of this amendatory Act of the 94th General~~
7 ~~Assembly and until moneys deposited pursuant to Section 54 are~~
8 ~~distributed and received, a pari mutuel tax at the rate of~~
9 ~~0.25% of the daily pari mutuel handle is imposed at a~~
10 ~~pari mutuel facility whose license is derived from a track~~
11 ~~located in a county that borders the Mississippi River and~~
12 ~~conducted live racing in the previous year. After moneys~~
13 ~~deposited pursuant to Section 54 are distributed and received,~~
14 ~~a pari mutuel tax at the rate of 1.5% of the daily pari mutuel~~
15 ~~handle is imposed at a pari mutuel facility whose license is~~
16 ~~derived from a track located in a county that borders the~~
17 ~~Mississippi River and conducted live racing in the previous~~
18 ~~year. The pari mutuel tax imposed by this subsection (a 5)~~
19 ~~shall be remitted to the Department of Revenue within 48 hours~~
20 ~~after the close of the racing day upon which it is assessed or~~
21 ~~within such other time as the Board prescribes.~~

22 (b) On or before December 31, 1999, in the event that any
23 organization licensee conducts 2 separate programs of races on
24 any day, each such program shall be considered a separate
25 racing day for purposes of determining the daily handle and
26 computing the privilege tax on such daily handle as provided in

1 subsection (a) of this Section.

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

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

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

25 (f) No other license fee, privilege tax, excise tax or
26 racing fee shall be assessed or collected from any such

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

20 (g) Notwithstanding any provision in this Act to the
21 contrary, if in any calendar year the total taxes and fees from
22 wagering on live racing and from inter-track wagering required
23 to be collected from licensees and distributed under this Act
24 to all State and local governmental authorities exceeds the
25 amount of such taxes and fees distributed to each State and
26 local governmental authority to which each State and local

1 governmental authority was entitled under this Act for calendar
2 year 1994, then the first \$11 million of that excess amount
3 shall be allocated at the earliest possible date for
4 distribution as purse money for the succeeding calendar year.
5 Upon reaching the 1994 level, and until the excess amount of
6 taxes and fees exceeds \$11 million, the Board shall direct all
7 licensees to cease paying the subject taxes and fees and the
8 Board shall direct all licensees to allocate any such excess
9 amount for purses as follows:

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

14 (ii) each thoroughbred and standardbred organization
15 licensee issued an organization licensee in that
16 succeeding allocation year shall be allocated an amount
17 equal to the product of its percentage of total Illinois
18 live thoroughbred or standardbred wagering in calendar
19 year 1994 (the total to be determined based on the sum of
20 1994 on-track wagering for all organization licensees
21 issued organization licenses in both the allocation year
22 and the preceding year) multiplied by the total amount
23 allocated for standardbred or thoroughbred purses,
24 provided that the first \$1,500,000 of the amount allocated
25 to standardbred purses under item (i) shall be allocated to
26 the Department of Agriculture to be expended with the

1 assistance and advice of the Illinois Standardbred
2 Breeders Funds Advisory Board for the purposes listed in
3 subsection (g) of Section 31 of this Act, before the amount
4 allocated to standardbred purses under item (i) is
5 allocated to standardbred organization licensees in the
6 succeeding allocation year.

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

12 (Source: P.A. 94-805, eff. 5-26-06.)

13 (230 ILCS 5/28.1)

14 Sec. 28.1. Payments.

15 (a) Beginning on January 1, 2000, moneys collected by the
16 Department of Revenue and the Racing Board pursuant to Section
17 26 or Section 27 of this Act shall be deposited into the Horse
18 Racing Fund, which is hereby created as a special fund in the
19 State Treasury.

20 The Horse Racing Fund shall not be subject to
21 administrative charges or charge backs, including, but not
22 limited to, those authorized under Section 8h of the State
23 Finance Act, except as provided in subsection (c).

24 (b) Moneys in Appropriations, as approved by the General
25 Assembly, may be made from the Horse Racing Fund may be used by

1 to the Board to pay the salaries of the Board members,
2 secretary, stewards, directors of mutuels, veterinarians,
3 representatives, accountants, clerks, stenographers,
4 inspectors and other employees of the Board, and all expenses
5 of the Board incident to the administration of this Act,
6 including, but not limited to, all expenses and salaries
7 incident to the taking of saliva and urine samples in
8 accordance with the rules and regulations of the Board.

9 (c) Beginning on January 1, 2000, the Board shall transfer
10 the remainder of the funds generated pursuant to Sections 26
11 and 27 from the Horse Racing Fund into the General Revenue
12 Fund.

13 (d) Beginning January 1, 2000, payments to all programs in
14 existence on the effective date of this amendatory Act of 1999
15 that are identified in Sections 26(c), 26(f), 26(h)(11)(C), and
16 28, subsections (a), (b), (c), (d), (e), (f), (g), and (h) of
17 Section 30, and subsections (a), (b), (c), (d), (e), (f), (g),
18 and (h) of Section 31 shall be made from the General Revenue
19 Fund at the funding levels determined by amounts paid under
20 this Act in calendar year 1998. Beginning on the effective date
21 of this amendatory Act of the 93rd General Assembly, payments
22 to the Peoria Park District shall be made from the General
23 Revenue Fund at the funding level determined by amounts paid to
24 that park district for museum purposes under this Act in
25 calendar year 1994. Beginning on the effective date of this
26 amendatory Act of the 94th General Assembly, in lieu of

1 payments to the Champaign Park District for museum purposes,
2 payments to the Urbana Park District shall be made from the
3 General Revenue Fund at the funding level determined by amounts
4 paid to the Champaign Park District for museum purposes under
5 this Act in calendar year 2005.

6 (e) Beginning July 1, 2006, the payment authorized under
7 subsection (d) to museums and aquariums located in park
8 districts of over 500,000 population shall be paid to museums,
9 aquariums, and zoos in amounts determined by Museums in the
10 Park, an association of museums, aquariums, and zoos located on
11 Chicago Park District property.

12 (f) Beginning July 1, 2007, the Children's Discovery Museum
13 in Normal, Illinois shall receive payments from the General
14 Revenue Fund at the funding level determined by the amounts
15 paid to the Miller Park Zoo in Bloomington, Illinois under this
16 Section in calendar year 2006.

17 (g) Notwithstanding any other provision of this Act to the
18 contrary, moneys paid into the Illinois Colt Stakes
19 Distribution Fund may be distributed by the Department of
20 Agriculture to Illinois county fairs to supplement premiums
21 offered in junior classes.

22 (Source: P.A. 94-813, eff. 5-26-06; 95-222, eff. 8-16-07.)

23 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

24 Sec. 30. (a) The General Assembly declares that it is the
25 policy of this State to encourage the breeding of thoroughbred

1 horses in this State and the ownership of such horses by
2 residents of this State in order to provide for: sufficient
3 numbers of high quality thoroughbred horses to participate in
4 thoroughbred racing meetings in this State, and to establish
5 and preserve the agricultural and commercial benefits of such
6 breeding and racing industries to the State of Illinois. It is
7 the intent of the General Assembly to further this policy by
8 the provisions of this Act.

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

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

1 races provided.

2 (d) There is hereby created a non-appropriated trust
3 ~~special fund of the State Treasury~~ to be known as the Illinois
4 Thoroughbred Breeders Fund, which is held separate and apart
5 from State moneys.

6 Except as provided in subsection (g) of Section 27 of this
7 Act, 8.5% of all the monies received by the State as privilege
8 taxes on Thoroughbred racing meetings shall be paid into the
9 Illinois Thoroughbred Breeders Fund. The Illinois Thoroughbred
10 Breeders Fund shall not be subject to administrative charges or
11 charge backs, including, but not limited to, those authorized
12 under Section 8h of the State Finance Act.

13 (e) The Illinois Thoroughbred Breeders Fund shall be
14 administered by the Department of Agriculture with the advice
15 and assistance of the Advisory Board created in subsection (f)
16 of this Section.

17 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
18 shall consist of the Director of the Department of Agriculture,
19 who shall serve as Chairman; a member of the Illinois Racing
20 Board, designated by it; 2 representatives of the organization
21 licensees conducting thoroughbred racing meetings, recommended
22 by them; 2 representatives of the Illinois Thoroughbred
23 Breeders and Owners Foundation, recommended by it; and 2
24 representatives of the Horsemen's Benevolent Protective
25 Association or any successor organization established in
26 Illinois comprised of the largest number of owners and

1 trainers, recommended by it, with one representative of the
2 Horsemen's Benevolent and Protective Association to come from
3 its Illinois Division, and one from its Chicago Division.
4 Advisory Board members shall serve for 2 years commencing
5 January 1 of each odd numbered year. If representatives of the
6 organization licensees conducting thoroughbred racing
7 meetings, the Illinois Thoroughbred Breeders and Owners
8 Foundation, and the Horsemen's Benevolent Protection
9 Association have not been recommended by January 1, of each odd
10 numbered year, the Director of the Department of Agriculture
11 shall make an appointment for the organization failing to so
12 recommend a member of the Advisory Board. Advisory Board
13 members shall receive no compensation for their services as
14 members but shall be reimbursed for all actual and necessary
15 expenses and disbursements incurred in the execution of their
16 official duties.

17 (g) Moneys in ~~No monies shall be expended from the Illinois~~
18 ~~Thoroughbred Breeders Fund except as appropriated by the~~
19 ~~General Assembly. Monies appropriated from~~ the Illinois
20 Thoroughbred Breeders Fund shall be expended by the Department
21 of Agriculture, with the advice and assistance of the Illinois
22 Thoroughbred Breeders Fund Advisory Board, for the following
23 purposes only:

24 (1) To provide purse supplements to owners of horses
25 participating in races limited to Illinois conceived and
26 foaled and Illinois foaled horses. Any such purse

1 supplements shall not be included in and shall be paid in
2 addition to any purses, stakes, or breeders' awards offered
3 by each organization licensee as determined by agreement
4 between such organization licensee and an organization
5 representing the horsemen. No monies from the Illinois
6 Thoroughbred Breeders Fund shall be used to provide purse
7 supplements for claiming races in which the minimum
8 claiming price is less than \$7,500.

9 (2) To provide stakes and awards to be paid to the
10 owners of the winning horses in certain races limited to
11 Illinois conceived and foaled and Illinois foaled horses
12 designated as stakes races.

13 (2.5) To provide an award to the owner or owners of an
14 Illinois conceived and foaled or Illinois foaled horse that
15 wins a maiden special weight, an allowance, overnight
16 handicap race, or claiming race with claiming price of
17 \$10,000 or more providing the race is not restricted to
18 Illinois conceived and foaled or Illinois foaled horses.
19 Awards shall also be provided to the owner or owners of
20 Illinois conceived and foaled and Illinois foaled horses
21 that place second or third in those races. To the extent
22 that additional moneys are required to pay the minimum
23 additional awards of 40% of the purse the horse earns for
24 placing first, second or third in those races for Illinois
25 foaled horses and of 60% of the purse the horse earns for
26 placing first, second or third in those races for Illinois

1 conceived and foaled horses, those moneys shall be provided
2 from the purse account at the track where earned.

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

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

23 (4.1) To provide purse money for an Illinois stallion
24 stakes program.

25 (5) No less than 80% of all monies paid into
26 ~~appropriated from~~ the Illinois Thoroughbred Breeders Fund

1 shall be expended for the purposes in (1), (2), (2.5), (3),
2 (4), (4.1), and (5) as shown above.

3 (6) To provide for educational programs regarding the
4 thoroughbred breeding industry.

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

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

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

12 (10) To provide for all expenses incurred in the
13 administration of the Illinois Thoroughbred Breeders Fund.

14 (h) Any moneys remaining in the Fund after all outstanding
15 appropriations are made shall be distributed by the Department
16 to the Illinois Thoroughbred Breeders and Owners Foundation to
17 be placed in a scholarship fund. ~~Whenever the Governor finds~~
18 ~~that the amount in the Illinois Thoroughbred Breeders Fund is~~
19 ~~more than the total of the outstanding appropriations from such~~
20 ~~fund, the Governor shall notify the State Comptroller and the~~
21 ~~State Treasurer of such fact. The Comptroller and the State~~
22 ~~Treasurer, upon receipt of such notification, shall transfer~~
23 ~~such excess amount from the Illinois Thoroughbred Breeders Fund~~
24 ~~to the General Revenue Fund.~~

25 (i) A sum equal to 12 1/2% of the first prize money of
26 every purse won by an Illinois foaled or an Illinois conceived

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

1 the Illinois conceived and foaled horses which won breeders'
2 awards and the amount of such breeders' awards under this
3 subsection to verify accuracy of payments and assure proper
4 distribution of breeders' awards in accordance with the
5 provisions of this Act. Such payments shall be delivered by the
6 organization licensee within 30 days of the end of each race
7 meeting.

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

1 and shall make copies of each annual audit available to the
2 public upon request and upon payment of the reasonable cost of
3 photocopying the requested number of copies.

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

6 (1) 60% of such sum shall be paid to the breeder of the
7 horse which finishes in the official first position;

8 (2) 20% of such sum shall be paid to the breeder of the
9 horse which finishes in the official second position;

10 (3) 15% of such sum shall be paid to the breeder of the
11 horse which finishes in the official third position; and

12 (4) 5% of such sum shall be paid to the breeder of the
13 horse which finishes in the official fourth position.

14 Such payments shall not reduce any award to the owners of a
15 horse or reduce the taxes payable under this Act. Upon
16 completion of its racing meet, each organization licensee shall
17 deliver to the organization representing thoroughbred breeders
18 and owners whose representative serves on the Illinois
19 Thoroughbred Breeders Fund Advisory Board a listing of all the
20 Illinois foaled and the Illinois conceived and foaled horses
21 which won breeders' awards and the amount of such breeders'
22 awards in accordance with the provisions of this Act. Such
23 payments shall be delivered by the organization licensee within
24 30 days of the end of each race meeting.

25 (k) The term "breeder", as used herein, means the owner of
26 the mare at the time the foal is dropped. An "Illinois foaled

1 horse" is a foal dropped by a mare which enters this State on
2 or before December 1, in the year in which the horse is bred,
3 provided the mare remains continuously in this State until its
4 foal is born. An "Illinois foaled horse" also means a foal born
5 of a mare in the same year as the mare enters this State on or
6 before March 1, and remains in this State at least 30 days
7 after foaling, is bred back during the season of the foaling to
8 an Illinois Registered Stallion (unless a veterinarian
9 certifies that the mare should not be bred for health reasons),
10 and is not bred to a stallion standing in any other state
11 during the season of foaling. An "Illinois foaled horse" also
12 means a foal born in Illinois of a mare purchased at public
13 auction subsequent to the mare entering this State prior to
14 March 1 ~~February 1~~ of the foaling year providing the mare is
15 owned solely by one or more Illinois residents or an Illinois
16 entity that is entirely owned by one or more Illinois
17 residents.

18 (1) The Department of Agriculture shall, by rule, with the
19 advice and assistance of the Illinois Thoroughbred Breeders
20 Fund Advisory Board:

21 (1) Qualify stallions for Illinois breeding; such
22 stallions to stand for service within the State of Illinois
23 at the time of a foal's conception. Such stallion must not
24 stand for service at any place outside the State of
25 Illinois during the calendar year in which the foal is
26 conceived. The Department of Agriculture may assess and

1 collect an application fee of up to \$500 ~~fees~~ for the
2 registration of each Illinois-eligible stallion ~~stallions~~.
3 All fees collected are to be paid into the Illinois
4 Thoroughbred Breeders Fund and with the advice and
5 assistance of the Illinois Thoroughbred Breeders Fund
6 Advisory Board shall be used for stallion awards.

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

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

26 In determining the stakes races and the amount of awards

1 for such races, the Department of Agriculture shall consider
2 factors, including but not limited to, the amount of money
3 appropriated for the Illinois Thoroughbred Breeders Fund
4 program, organization licensees' contributions, availability
5 of stakes caliber horses as demonstrated by past performances,
6 whether the race can be coordinated into the proposed racing
7 dates within organization licensees' racing dates, opportunity
8 for colts and fillies and various age groups to race, public
9 wagering on such races, and the previous racing schedule.

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

23 (o) (Blank). ~~In order to improve the breeding quality of~~
24 ~~thoroughbred horses in the State, the General Assembly~~
25 ~~recognizes that existing provisions of this Section to~~
26 ~~encourage such quality breeding need to be revised and~~

1 ~~strengthened. As such, a Thoroughbred Breeder's Program Task~~
2 ~~Force is to be appointed by the Governor by September 1, 1999~~
3 ~~to make recommendations to the General Assembly by no later~~
4 ~~than March 1, 2000. This task force is to be composed of 2~~
5 ~~representatives from the Illinois Thoroughbred Breeders and~~
6 ~~Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's~~
7 ~~Association, 3 from Illinois race tracks operating~~
8 ~~thoroughbred race meets for an average of at least 30 days in~~
9 ~~the past 3 years, the Director of Agriculture, the Executive~~
10 ~~Director of the Racing Board, who shall serve as Chairman.~~

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

12 (230 ILCS 5/30.5)

13 Sec. 30.5. Illinois Quarter Horse Breeders Fund.

14 (a) The General Assembly declares that it is the policy of
15 this State to encourage the breeding of racing quarter horses
16 in this State and the ownership of such horses by residents of
17 this State in order to provide for sufficient numbers of high
18 quality racing quarter horses in this State and to establish
19 and preserve the agricultural and commercial benefits of such
20 breeding and racing industries to the State of Illinois. It is
21 the intent of the General Assembly to further this policy by
22 the provisions of this Act.

23 (b) There is hereby created a non-appropriated trust
24 ~~special fund in the State Treasury~~ to be known as the Illinois
25 Racing Quarter Horse Breeders Fund, which is held separate and

1 apart from State moneys. Except as provided in subsection (g)
2 of Section 27 of this Act, 8.5% of all the moneys received by
3 the State as pari-mutuel taxes on quarter horse racing shall be
4 paid into the Illinois Racing Quarter Horse Breeders Fund. The
5 Illinois Racing Quarter Horse Breeders Fund shall not be
6 subject to administrative charges or charge backs, including,
7 but not limited to, those authorized under Section 8h of the
8 State Finance Act.

9 (c) The Illinois Racing Quarter Horse Breeders Fund shall
10 be administered by the Department of Agriculture with the
11 advice and assistance of the Advisory Board created in
12 subsection (d) of this Section.

13 (d) The Illinois Racing Quarter Horse Breeders Fund
14 Advisory Board shall consist of the Director of the Department
15 of Agriculture, who shall serve as Chairman; a member of the
16 Illinois Racing Board, designated by it; one representative of
17 the organization licensees conducting pari-mutuel quarter
18 horse racing meetings, recommended by them; 2 representatives
19 of the Illinois Running Quarter Horse Association, recommended
20 by it; and the Superintendent of Fairs and Promotions from the
21 Department of Agriculture. Advisory Board members shall serve
22 for 2 years commencing January 1 of each odd numbered year. If
23 representatives have not been recommended by January 1 of each
24 odd numbered year, the Director of the Department of
25 Agriculture may make an appointment for the organization
26 failing to so recommend a member of the Advisory Board.

1 Advisory Board members shall receive no compensation for their
2 services as members but may be reimbursed for all actual and
3 necessary expenses and disbursements incurred in the execution
4 of their official duties.

5 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
6 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
7 ~~the General Assembly. Moneys appropriated from~~ the Illinois
8 Racing Quarter Horse Breeders Fund shall be expended by the
9 Department of Agriculture, with the advice and assistance of
10 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
11 for the following purposes only:

12 (1) To provide stakes and awards to be paid to the
13 owners of the winning horses in certain races. This
14 provision is limited to Illinois conceived and foaled
15 horses.

16 (2) To provide an award to the owner or owners of an
17 Illinois conceived and foaled horse that wins a race when
18 pari-mutuel wagering is conducted; providing the race is
19 not restricted to Illinois conceived and foaled horses.

20 (3) To provide purse money for an Illinois stallion
21 stakes program.

22 (4) To provide for purses to be distributed for the
23 running of races during the Illinois State Fair and the
24 DuQuoin State Fair exclusively for quarter horses
25 conceived and foaled in Illinois.

26 (5) To provide for purses to be distributed for the

1 running of races at Illinois county fairs exclusively for
2 quarter horses conceived and foaled in Illinois.

3 (6) To provide for purses to be distributed for running
4 races exclusively for quarter horses conceived and foaled
5 in Illinois at locations in Illinois determined by the
6 Department of Agriculture with advice and consent of the
7 Racing Quarter Horse Breeders Fund Advisory Board.

8 (7) No less than 90% of all moneys appropriated from
9 the Illinois Racing Quarter Horse Breeders Fund shall be
10 expended for the purposes in items (1), (2), (3), (4), and
11 (5) of this subsection (e).

12 (8) To provide for research programs concerning the
13 health, development, and care of racing quarter horses.

14 (9) To provide for dissemination of public information
15 designed to promote the breeding of racing quarter horses
16 in Illinois.

17 (10) To provide for expenses incurred in the
18 administration of the Illinois Racing Quarter Horse
19 Breeders Fund.

20 (f) The Department of Agriculture shall, by rule, with the
21 advice and assistance of the Illinois Racing Quarter Horse
22 Breeders Fund Advisory Board:

23 (1) Qualify stallions for Illinois breeding; such
24 stallions to stand for service within the State of
25 Illinois, at the time of a foal's conception. Such stallion
26 must not stand for service at any place outside the State

1 of Illinois during the calendar year in which the foal is
2 conceived. The Department of Agriculture may assess and
3 collect application fees for the registration of
4 Illinois-eligible stallions. All fees collected are to be
5 paid into the Illinois Racing Quarter Horse Breeders Fund.

6 (2) Provide for the registration of Illinois conceived
7 and foaled horses. No such horse shall compete in the races
8 limited to Illinois conceived and foaled horses unless it
9 is registered with the Department of Agriculture. The
10 Department of Agriculture may prescribe such forms as are
11 necessary to determine the eligibility of such horses. The
12 Department of Agriculture may assess and collect
13 application fees for the registration of Illinois-eligible
14 foals. All fees collected are to be paid into the Illinois
15 Racing Quarter Horse Breeders Fund. No person shall
16 knowingly prepare or cause preparation of an application
17 for registration of such foals that contains false
18 information.

19 (3) Allow 150 days after the effective date of this
20 amendatory Act of the 96th General Assembly to grandfather
21 any quarter horse conceived and foaled in Illinois into the
22 Illinois Racing Quarter Horse Breeders Fund Program of the
23 Illinois Department of Agriculture.

24 (g) The Department of Agriculture, with the advice and
25 assistance of the Illinois Racing Quarter Horse Breeders Fund
26 Advisory Board, shall provide that certain races limited to

1 Illinois conceived and foaled be stakes races and determine the
2 total amount of stakes and awards to be paid to the owners of
3 the winning horses in such races.

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

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

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

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

23 (b-5) Each organization licensee conducting a harness
24 racing meeting pursuant to this Act shall provide stakes races
25 and early closer races for Illinois conceived and foaled horses

1 so the total purses distributed for such races shall be no less
2 than an amount equal to (i) the total of the horsemen's
3 payments and entry fees, plus (ii) 17% of the total purses
4 distributed at the meeting.

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

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

17 (d) There is hereby created a non-appropriated trust
18 ~~special fund of the State Treasury~~ to be known as the Illinois
19 Standardbred Breeders Fund, which is held separate and apart
20 from State moneys. The Illinois Standardbred Breeders Fund
21 shall not be subject to administrative charges or charge backs,
22 including, but not limited to, those authorized under Section
23 8h of the State Finance Act.

24 During the calendar year 1981, and each year thereafter,
25 except as provided in subsection (g) of Section 27 of this Act,
26 eight and one-half per cent of all the monies received by the

1 State as privilege taxes on harness racing meetings shall be
2 paid into the Illinois Standardbred Breeders Fund.

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

7 (f) The Illinois Standardbred Breeders Fund Advisory Board
8 is hereby created. The Advisory Board shall consist of the
9 Director of the Department of Agriculture, who shall serve as
10 Chairman; the Superintendent of the Illinois State Fair; a
11 member of the Illinois Racing Board, designated by it; a
12 representative of the Illinois Standardbred Owners and
13 Breeders Association, recommended by it; a representative of
14 the Illinois Association of Agricultural Fairs, recommended by
15 it, such representative to be from a fair at which Illinois
16 conceived and foaled racing is conducted; a representative of
17 the organization licensees conducting harness racing meetings,
18 recommended by them and a representative of the Illinois
19 Harness Horsemen's Association, recommended by it. Advisory
20 Board members shall serve for 2 years commencing January 1, of
21 each odd numbered year. If representatives of the Illinois
22 Standardbred Owners and Breeders Associations, the Illinois
23 Association of Agricultural Fairs, the Illinois Harness
24 Horsemen's Association, and the organization licensees
25 conducting harness racing meetings have not been recommended by
26 January 1, of each odd numbered year, the Director of the

1 Department of Agriculture shall make an appointment for the
2 organization failing to so recommend a member of the Advisory
3 Board. Advisory Board members shall receive no compensation for
4 their services as members but shall be reimbursed for all
5 actual and necessary expenses and disbursements incurred in the
6 execution of their official duties.

7 (g) Moneys in ~~No monies shall be expended from the Illinois~~
8 ~~Standardbred Breeders Fund except as appropriated by the~~
9 ~~General Assembly. Monies appropriated from~~ the Illinois
10 Standardbred Breeders Fund shall be expended by the Department
11 of Agriculture, with the assistance and advice of the Illinois
12 Standardbred Breeders Fund Advisory Board for the following
13 purposes only:

14 1. To provide purses for races limited to Illinois
15 conceived and foaled horses at the State Fair and the
16 DuQuoin State Fair.

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

19 3. To provide purse supplements for races limited to
20 Illinois conceived and foaled horses conducted by
21 associations conducting harness racing meetings.

22 4. No less than 75% of all monies in the Illinois
23 Standardbred Breeders Fund shall be expended for purses in
24 1, 2 and 3 as shown above.

25 4.5. To provide for bonus programs to pay owners of
26 horses that win multiple stake races that are restricted to

1 Illinois conceived and foaled horses.

2 5. In the discretion of the Department of Agriculture
3 to provide awards to harness breeders of Illinois conceived
4 and foaled horses which win races conducted by organization
5 licensees conducting harness racing meetings. A breeder is
6 the owner of a mare at the time of conception. No more than
7 10% of all monies appropriated from the Illinois
8 Standardbred Breeders Fund shall be expended for such
9 harness breeders awards. No more than 25% of the amount
10 expended for harness breeders awards shall be expended for
11 expenses incurred in the administration of such harness
12 breeders awards.

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

15 7. To pay the expenses incurred in the administration
16 of the Illinois Standardbred Breeders Fund.

17 8. To promote the sport of harness racing, including
18 grants up to a maximum of \$7,500 per fair per year for the
19 cost of a totalizator system to be used for conducting
20 pari-mutuel wagering during the advertised dates of a
21 county fair.

22 (h) (Blank). ~~Whenever the Governor finds that the amount in~~
23 ~~the Illinois Standardbred Breeders Fund is more than the total~~
24 ~~of the outstanding appropriations from such fund, the Governor~~
25 ~~shall notify the State Comptroller and the State Treasurer of~~
26 ~~such fact. The Comptroller and the State Treasurer, upon~~

1 ~~receipt of such notification, shall transfer such excess amount~~
2 ~~from the Illinois Standardbred Breeders Fund to the General~~
3 ~~Revenue Fund.~~

4 (i) A sum equal to 12 1/2% of the first prize money of the
5 gross ~~every~~ purse won by an Illinois conceived and foaled horse
6 shall be paid by the organization licensee conducting the horse
7 race meeting to the breeder of such winning horse from the
8 organization licensee's account ~~share of the money wagered.~~
9 Such payment shall not reduce any award to the owner of the
10 horse or reduce the taxes payable under this Act. Such payment
11 shall be delivered by the organization licensee at the end of
12 each month ~~race meeting.~~

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

16 1. Qualify stallions for Illinois Standardbred Breeders
17 Fund breeding; such stallion shall be owned by a resident of
18 the State of Illinois or by an Illinois corporation all of
19 whose shareholders, directors, officers and incorporators are
20 residents of the State of Illinois. Such stallion shall stand
21 for service at and within the State of Illinois at the time of
22 a foal's conception, and such stallion must not stand for
23 service at any place, ~~nor may semen from such stallion be~~
24 ~~transported,~~ outside the State of Illinois during that calendar
25 year in which the foal is conceived and that the owner of the
26 stallion was for the 12 months prior, a resident of Illinois.

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

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

1 conception and the mare must be inseminated within the State of
2 Illinois. The foal must be dropped in Illinois and properly
3 registered with the Department of Agriculture in accordance
4 with this Act.

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

12 4. Provide for the payment of nominating, sustaining and
13 starting fees for races promoting the sport of harness racing
14 and for the races to be conducted at the State Fair as provided
15 in subsection (j) 3 of this Section provided that the
16 nominating, sustaining and starting payment required from an
17 entrant shall not exceed 2% of the purse of such race. All
18 nominating, sustaining and starting payments shall be held for
19 the benefit of entrants and shall be paid out as part of the
20 respective purses for such races. Nominating, sustaining and
21 starting fees shall be held in trust accounts for the purposes
22 as set forth in this Act and in accordance with Section 205-15
23 of the Department of Agriculture Law (20 ILCS 205/205-15).

24 5. Provide for the registration with the Department of
25 Agriculture of Colt Associations or county fairs desiring to
26 sponsor races at county fairs.

1 (k) The Department of Agriculture, with the advice and
2 assistance of the Illinois Standardbred Breeders Fund Advisory
3 Board, may allocate monies for purse supplements for such
4 races. In determining whether to allocate money and the amount,
5 the Department of Agriculture shall consider factors,
6 including but not limited to, the amount of money appropriated
7 for the Illinois Standardbred Breeders Fund program, the number
8 of races that may occur, and an organizational licensee's purse
9 structure. The organizational licensee shall notify the
10 Department of Agriculture of the conditions and minimum purses
11 for races limited to Illinois conceived and foaled horses to be
12 conducted by each organizational licensee conducting a harness
13 racing meeting for which purse supplements have been
14 negotiated.

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

20 (m) At all standardbred race meetings held or conducted
21 under authority of a license granted by the Board, and at all
22 standardbred races held at county fairs which are approved by
23 the Department of Agriculture or at the Illinois or DuQuoin
24 State Fairs, no one shall jog, train, warm up or drive a
25 standardbred horse unless he or she is wearing a protective
26 safety helmet, with the chin strap fastened and in place, which

1 meets the standards and requirements as set forth in the 1984
2 Standard for Protective Headgear for Use in Harness Racing and
3 Other Equestrian Sports published by the Snell Memorial
4 Foundation, or any standards and requirements for headgear the
5 Illinois Racing Board may approve. Any other standards and
6 requirements so approved by the Board shall equal or exceed
7 those published by the Snell Memorial Foundation. Any
8 equestrian helmet bearing the Snell label shall be deemed to
9 have met those standards and requirements.

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

11 (230 ILCS 5/31.2 new)

12 Sec. 31.2. Racing Industry Workers' Trust Fund; advisory
13 board.

14 (a) The General Assembly finds that backstretch workers
15 play a critical role in the success and prosperity of the
16 racing industry. The General Assembly finds that there is a
17 need to improve the quality and viability of live racing in
18 Illinois by providing new resources to increase purse sizes and
19 to improve race track facilities. The General Assembly finds
20 that there is a concomitant responsibility and duty to address
21 the human service and housing needs of backstretch workers.

22 (b) There is hereby created a non-appropriated trust fund
23 to be known as the Racing Industry Workers' Trust Fund, which
24 is administered by the Board and held separate and apart from
25 State moneys. The Fund shall consist of moneys paid into it

1 under subsection (b) of Section 56 of this Act.

2 (c) The Board is authorized to use funds in the Racing
3 Industry Workers' Trust Fund to fund programs and initiatives
4 that improve the quality of life of backstretch workers.
5 Initiatives funded by the Board shall address needs such as
6 illiteracy, substance dependence, primary health care, child
7 care, housing, and any other social service need determined by
8 the Board.

9 (d) On December 31st of each year the Board shall report to
10 the General Assembly and the Governor on the programs funded by
11 the Board during the preceding fiscal year, the number of
12 persons served, and the working and living conditions of
13 backstretch workers.

14 (e) The Board shall appoint a Backstretch Programs Advisory
15 Board, who shall report to and advise the Board on matters
16 concerning backstretch conditions and needs. The Backstretch
17 Programs Advisory Board shall consist of the following 7
18 members:

19 (1) 2 persons who represent the interests of an
20 organization licensee;

21 (2) one person who represents the interests of
22 standardbred horsemen;

23 (3) one person who represents the interests of
24 thoroughbred horsemen;

25 (4) one person who is or was a backstretch worker;

26 (5) one person who advocates on behalf of backstretch

1 workers; and

2 (6) one person who has significant experience in
3 administering social services.

4 (f) The Board shall hire, in its sole discretion, a
5 backstretch workers' Program Coordinator who shall serve under
6 the direction of the Board to supervise and coordinate the
7 programs funded by the Racing Industry Workers' Trust Fund. The
8 Program Coordinator shall be paid from the Racing Industry
9 Workers' Trust Fund.

10 (230 ILCS 5/31.3 new)

11 Sec. 31.3. Illinois Equine Research Trust Fund. There is
12 created a non-appropriated trust fund to be known as the
13 Illinois Equine Research Trust Fund, which is administered by
14 the Department of Agriculture and held separate and apart from
15 State moneys. The Fund shall consist of moneys paid into it
16 under subsection (b) of Section 56 of this Act. The Department
17 may use funds in the Illinois Equine Research Trust Fund to
18 award 2 equal grants to the University of Illinois and to
19 Southern Illinois University for equine research. The total
20 amount of each grant award shall be used for only the direct
21 costs of research.

22 (230 ILCS 5/34.3 new)

23 Sec. 34.3. Drug testing. The Illinois Racing Board and the
24 Department of Agriculture shall jointly establish a program for

1 the purpose of conducting random drug testing of horses at
2 county fairs and shall adopt any rules necessary for
3 enforcement of the program. The rules shall include appropriate
4 penalties for violations.

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

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

22 (b) The term "hypnotic" as used in this Section includes
23 all barbituric acid preparations and derivatives.

24 (c) The term "narcotic" as used in this Section includes
25 opium and all its alkaloids, salts, preparations and

1 derivatives, cocaine and all its salts, preparations and
2 derivatives and substitutes.

3 (d) The provisions of this Section 36 and the treatment
4 authorized herein apply to horses entered in and competing in
5 race meetings as defined in Section 3.47 of this Act and to
6 horses entered in and competing at any county fair.

7 (e) Drug testing for horses entered in and competing at any
8 county fair shall be conducted by the Department of
9 Agriculture, with the advice and assistance of the Board. The
10 Department of Agriculture, with the assistance of the Board,
11 shall adopt rules for drug testing, for horses entered in and
12 competing at any county fair.

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

14 (230 ILCS 5/42) (from Ch. 8, par. 37-42)

15 Sec. 42. (a) Except as to the distribution of monies
16 provided for by Sections 28, 29, 30, and 31 and the treating of
17 horses as provided in Section 36, nothing whatsoever in this
18 Act shall be held or taken to apply to county fairs and State
19 Fairs or to agricultural and livestock exhibitions where the
20 pari-mutuel system of wagering upon the result of horses is not
21 permitted or conducted.

22 (b) Nothing herein shall be construed to permit the
23 pari-mutuel method of wagering upon any race track unless such
24 race track is licensed under this Act. It is hereby declared to
25 be unlawful for any person to permit, conduct or supervise upon

1 any race track ground the pari-mutuel method of wagering except
2 in accordance with the provisions of this Act.

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

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

6 (230 ILCS 5/45) (from Ch. 8, par. 37-45)

7 Sec. 45. It shall be the duty of the Attorney General and
8 the various State's attorneys in this State in cooperation with
9 the Office of Gaming Enforcement ~~Department of State Police~~ to
10 enforce this Act. The Director of Gaming Enforcement ~~Governor~~
11 may, upon request of the Board ~~Department of State Police~~,
12 order the law enforcing officers of the various cities and
13 counties to assign a sufficient number of deputies to aid
14 ~~members of the Department of State Police~~ in preventing horse
15 racing at any track within the respective jurisdiction of such
16 cities or counties an organization license for which has been
17 refused, suspended or revoked by the Board. The Director of
18 Gaming Enforcement ~~Governor~~ may ~~similarly~~ assign ~~such~~ deputies
19 to aid the local law enforcement ~~Department of State Police~~
20 when, by his determination, additional forces are needed to
21 preserve the health, welfare or safety of any person or animal
22 within the grounds of any race track in the State.

23 (Source: P.A. 84-25.)

24 (230 ILCS 5/54.75)

1 Sec. 54.75. Horse Racing Equity Trust Fund.

2 (a) There is created a Fund to be known as the Horse Racing
3 Equity Trust Fund, which is a non-appropriated trust fund held
4 separate and apart from State moneys. The Fund shall consist of
5 moneys paid into it by owners licensees under the Illinois
6 ~~Riverboat~~ Gambling Act for the purposes described in this
7 Section. The Fund shall be administered by the Board. Moneys in
8 the Fund shall be distributed as directed and certified by the
9 Board in accordance with the provisions of subsection (b).

10 (b) The moneys deposited into the Fund, plus any accrued
11 interest on those moneys, shall be distributed within 10 days
12 after those moneys are deposited into the Fund as follows:

13 (1) Sixty percent of all moneys distributed under this
14 subsection shall be distributed to organization licensees
15 to be distributed at their race meetings as purses.
16 Fifty-seven percent of the amount distributed under this
17 paragraph (1) shall be distributed for thoroughbred race
18 meetings and 43% shall be distributed for standardbred race
19 meetings. Within each breed, moneys shall be allocated to
20 each organization licensee's purse fund in accordance with
21 the ratio between the purses generated for that breed by
22 that licensee during the prior calendar year and the total
23 purses generated throughout the State for that breed during
24 the prior calendar year by licensees in the current
25 calendar year.

26 (2) The remaining 40% of the moneys distributed under

1 this subsection (b) shall be distributed as follows:

2 (A) 11% shall be distributed to any person (or its
3 successors or assigns) who had operating control of a
4 racetrack that conducted live racing in 2002 at a
5 racetrack in a county with at least 230,000 inhabitants
6 that borders the Mississippi River and is a licensee in
7 the current year; and

8 (B) the remaining 89% shall be distributed pro rata
9 according to the aggregate proportion of total handle
10 from wagering on live races conducted in Illinois
11 (irrespective of where the wagers are placed) for
12 calendar years 2004 and 2005 to any person (or its
13 successors or assigns) who (i) had majority operating
14 control of a racing facility at which live racing was
15 conducted in calendar year 2002, (ii) is a licensee in
16 the current year, and (iii) is not eligible to receive
17 moneys under subparagraph (A) of this paragraph (2).

18 The moneys received by an organization licensee
19 under this paragraph (2) shall be used by each
20 organization licensee to improve, maintain, market,
21 and otherwise operate its racing facilities to conduct
22 live racing, which shall include backstretch services
23 and capital improvements related to live racing and the
24 backstretch. Any organization licensees sharing common
25 ownership may pool the moneys received and spent at all
26 racing facilities commonly owned in order to meet these

1 requirements.

2 If any person identified in this paragraph (2) becomes
3 ineligible to receive moneys from the Fund, such amount
4 shall be redistributed among the remaining persons in
5 proportion to their percentages otherwise calculated.

6 (c) The Board shall monitor organization licensees to
7 ensure that moneys paid to organization licensees under this
8 Section are distributed by the organization licensees as
9 provided in subsection (b).

10 (d) The Horse Racing Equity Trust Fund shall not be subject
11 to administrative charges or charge backs, including, but not
12 limited to, those authorized under Section 8h of the State
13 Finance Act.

14 (Source: P.A. 95-1008, eff. 12-15-08.)

15 (230 ILCS 5/56 new)

16 Sec. 56. Electronic gaming.

17 (a) An organization licensee may apply to the Gaming Board
18 for an electronic gaming license pursuant to Section 7.7 of the
19 Illinois Gambling Act. An electronic gaming licensee may not
20 permit persons under 21 years of age to be present in its
21 electronic gaming facility, but the licensee may accept wagers
22 on live racing and inter-track wagers at its electronic gaming
23 facility.

24 (b) An amount equal to 15% of the total adjusted gross
25 receipts received by an electronic gaming licensee from

1 electronic gaming shall be paid to purse accounts.

2 Moneys paid into purse equity accounts by licensees at
3 tracks located in counties other than Madison County shall be
4 maintained separately from moneys paid into purse equity
5 accounts by a licensee at a track located in Madison County.

6 Of the moneys paid to purse equity accounts by an
7 electronic gaming licensee located in a county other than
8 Madison County, 57% of the moneys shall be paid into a single
9 thoroughbred purse pool and 43% of the moneys shall be paid
10 into a single standardbred purse pool. Each calendar year,
11 moneys in the thoroughbred purse pool shall be distributed
12 equally for each awarded racing date to the thoroughbred purse
13 accounts of each organization licensee that paid money into the
14 thoroughbred purse pool. Each calendar year, moneys in the
15 standardbred purse pool shall be distributed equally for each
16 awarded racing date to the standardbred purse accounts of each
17 organization licensee that paid money into the standardbred
18 purse pool.

19 Of the moneys paid into purse equity accounts by an
20 electronic gaming licensee located in Madison County, 70% shall
21 be paid to its thoroughbred purse account and 30% shall be paid
22 to its standardbred purse account.

23 (230 ILCS 5/57 new)

24 Sec. 57. Compliance report.

25 (a) The Board shall prepare a report twice per year

1 regarding the compliance of each electronic gaming licensee
2 with this Act and the electronic gaming licensee's support of
3 live racing. The Board shall determine whether each electronic
4 gaming licensee has maintained an appropriate level of live
5 horse racing. In making that determination, the Board shall
6 consider all of the following factors:

7 (1) The increase, if any, in the on-track handle at the
8 race track where the electronic gaming facility is located.

9 (2) The increase, if any, in purses at the racing
10 facility where electronic gaming facility is located.

11 (3) Investments in capital improvements made by the
12 organization licensee to the racing facility, excluding
13 electronic gaming areas.

14 (b) If the Board finds that a licensee has failed to comply
15 with this Act or has substantially failed to support live
16 racing, then the Board may do any of the following:

17 (1) Issue a warning to the organization licensee.

18 (2) Impose a civil penalty upon the organization
19 licensee.

20 (3) Suspend or revoke the organization license.

21 (230 ILCS 5/54 rep.)

22 Section 60. The Illinois Horse Racing Act of 1975 is
23 amended by repealing Section 54.

24 Section 65. The Riverboat Gambling Act is amended by

1 changing Sections 1, 3, 4, 5, 5.1, 7, 7.3, 8, 9, 11, 11.1, 12,
2 13, 14, 17, 18, 19, and 20 and by adding Sections 5.2, 5.3,
3 5.4, 5.5, 5.7, 6.5, 7.7, 7.8, 7.10, 7.14, 7.25, 9.3, and 9.5 as
4 follows:

5 (230 ILCS 10/1) (from Ch. 120, par. 2401)

6 Sec. 1. Short title. This Act shall be known and may be
7 cited as the Illinois ~~Riverboat~~ Gambling Act.

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

9 (230 ILCS 10/3) (from Ch. 120, par. 2403)

10 Sec. 3. ~~Riverboat~~ Gambling Authorized.

11 (a) Riverboat gambling operations and electronic gaming
12 operations ~~the system of wagering incorporated therein~~, as
13 defined in this Act, are hereby authorized to the extent that
14 they are carried out in accordance with the provisions of this
15 Act.

16 (b) This Act does not apply to the pari-mutuel system of
17 wagering or to advance deposit wagering used or intended to be
18 used in connection with the horse-race meetings as authorized
19 under the Illinois Horse Racing Act of 1975, lottery games
20 authorized under the Illinois Lottery Law, bingo authorized
21 under the Bingo License and Tax Act, charitable games
22 authorized under the Charitable Games Act or pull tabs and jar
23 games conducted under the Illinois Pull Tabs and Jar Games Act.

24 (c) Riverboat gambling conducted pursuant to this Act may

1 be authorized upon any water within the State of Illinois or
2 any water other than Lake Michigan which constitutes a boundary
3 of the State of Illinois. A licensee may conduct riverboat
4 gambling authorized under this Act regardless of whether it
5 conducts excursion cruises. A licensee may permit the
6 continuous ingress and egress of passengers for the purpose of
7 gambling.

8 (d) Gambling that is conducted in accordance with this Act
9 using slot machines, video games of chance, and electronic
10 gambling games shall be authorized at electronic gaming
11 facilities as provided in this Act.

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

13 (230 ILCS 10/4) (from Ch. 120, par. 2404)

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

15 ~~(a)~~ "Board" means the Illinois Gaming Board.

16 ~~(b)~~ "Occupational license" means a license issued by the
17 Board to a person or entity to perform an occupation which the
18 Board has identified as requiring a license to engage in
19 ~~riverboat~~ gambling in Illinois.

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

1 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
2 permanently moored barge, or permanently moored barges that are
3 permanently fixed together to operate as one vessel, on which
4 lawful gambling is authorized and licensed as provided in this
5 Act.

6 ~~(e)~~ "Managers license" means a license issued by the Board
7 to a person or entity to manage gambling operations conducted
8 by the State pursuant to Section 7.3.

9 ~~(f)~~ "Dock" means the location where a riverboat moors for
10 the purpose of embarking passengers for and disembarking
11 passengers from the riverboat.

12 ~~(g)~~ "Gross receipts" means the total amount of cash or any
13 instrument exchangeable for cash ~~money~~ exchanged for the
14 purchase of chips, tokens or electronic cards by ~~riverboat~~
15 patrons on a riverboat or at an electronic gaming facility.
16 "Gross receipts" includes revenues derived by the gaming
17 licensee from the conduct of electronic poker.

18 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
19 winnings paid to wagerers.

20 ~~(i)~~ "Cheat" means to alter the selection of criteria which
21 determine the result of a gambling game or electronic poker
22 outcome or the amount or frequency of payment in a gambling
23 game or electronic poker.

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

25 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
26 gambling games and electronic poker authorized under this Act

1 on ~~upon~~ a riverboat or at an electronic gaming facility as
2 authorized under this Act.

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

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

9 "Owners license" means a license to conduct riverboat
10 gambling operations, but does not include an electronic gaming
11 license.

12 "Electronic gaming license" means a license issued by the
13 Board under Section 7.7 of this Act authorizing electronic
14 gaming at an electronic gaming facility.

15 "Electronic gaming" means the conduct of gambling using
16 slot machines, video games of chance, and electronic gambling
17 games at a race track licensed under the Illinois Horse Racing
18 Act of 1975 pursuant to the Illinois Horse Racing Act of 1975
19 and this Act.

20 "Electronic gaming facility" means the area where the Board
21 has authorized electronic gaming at a race track of an
22 organization licensee under the Illinois Horse Racing Act of
23 1975 that holds an electronic gaming license.

24 "Organization license" means a license issued by the
25 Illinois Racing Board authorizing the conduct of pari-mutuel
26 wagering in accordance with the Illinois Horse Racing Act of

1 1975.

2 "Gaming license" includes an owners license and an
3 electronic gaming license.

4 "Licensed facility" means a riverboat or an electronic
5 gaming facility.

6 "Electronic poker" means a form of gambling operation by
7 which players can play poker electronically via a network of
8 machines at the same or any other licensed facility in this
9 State. "Electronic poker" is not considered a gambling game as
10 defined by this Act.

11 "License" includes all licenses authorized under this Act,
12 including a gaming license, an occupational license, and
13 suppliers license.

14 (Source: P.A. 95-331, eff. 8-21-07.)

15 (230 ILCS 10/5) (from Ch. 120, par. 2405)

16 Sec. 5. Gaming Board.

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

1 Illinois.

2 (2) The Board shall consist of 5 members to be appointed by
3 the Governor with the advice and consent of the Senate, one of
4 whom shall be designated by the Governor to be chairperson
5 ~~chairman~~. Each member shall have a reasonable knowledge of the
6 practice, procedure and principles of gambling operations.
7 Each member shall either be a resident of Illinois or shall
8 certify that he or she will become a resident of Illinois
9 before taking office. Notwithstanding any provision of this
10 Section to the contrary, the term of office of each member of
11 the Board ends on the effective date of this amendatory Act of
12 the 96th General Assembly and those members shall hold office
13 only until their successors are appointed and qualified
14 pursuant to this amendatory Act. Members appointed pursuant to
15 this amendatory Act of the 96th General Assembly and their
16 successors shall serve on a full-time basis and may not hold
17 any other employment for which they are compensated.

18 Beginning on the effective date of this amendatory Act of
19 the 96th General Assembly, the Board shall consist of 5 members
20 appointed by the Governor from nominations presented to the
21 Governor by the Nomination Panel and with the advice and
22 consent of the Senate. The Board must include the following:

23 (1) One member must have, at a minimum, a bachelor's
24 degree from an accredited school and at least 10 years of
25 verifiable training and experience in the fields of
26 investigation and law enforcement.

1 (2) One member must be a certified public accountant
2 with experience in auditing and with knowledge of complex
3 corporate structures and transactions.

4 (3) One member must have 5 years' experience as a
5 principal, senior officer, or director of a company or
6 business with either material responsibility for the daily
7 operations and management of the overall company or
8 business or material responsibility for the policy making
9 of the company or business.

10 (4) Two members must be former judges elected or
11 appointed to judicial office in Illinois or former federal
12 judges appointed to serve in Illinois.

13 No more than 3 members of the Board may be from the same
14 political party. The Board should reflect the ethnic, cultural,
15 and geographic diversity of the State. Each member shall have a
16 reasonable knowledge of the practice, procedures, and
17 principles of gambling operations. No Board member, within a
18 period of 2 years immediately preceding nomination, shall have
19 been employed or received compensation or fees for services
20 from a person or entity, or its parent or affiliate, that has
21 engaged in business with the Board, a licensee, or a licensee
22 under the Horse Racing Act of 1975. Each member shall either be
23 a resident of Illinois or shall certify that he or she will
24 become a resident of Illinois before taking office. At least
25 ~~one member shall be experienced in law enforcement and criminal~~
26 ~~investigation, at least one member shall be a certified public~~

1 ~~accountant experienced in accounting and auditing, and at least~~
2 ~~one member shall be a lawyer licensed to practice law in~~
3 ~~Illinois.~~

4 (3) The terms of office of the Board members shall be 4 ~~3~~
5 years, except that the terms of office of the initial Board
6 members appointed pursuant to this amendatory Act of the 96th
7 General Assembly Act will commence from the effective date of
8 this amendatory Act and run as follows, to be determined by
9 lot: one for a term ending July 1 of the year following
10 confirmation, 1991, one ~~2~~ for a term ending July 1 two years
11 following confirmation, 1992, one ~~and 2~~ for a term ending July
12 1 three years following confirmation, and 2 for a term ending
13 July 1 four years following confirmation 1993. Upon the
14 expiration of the foregoing terms, the successors of such
15 members shall serve a term for 4 ~~3~~ years and until their
16 successors are appointed and qualified for like terms.
17 Vacancies in the Board shall be filled for the unexpired term
18 in like manner as original appointments. Each member of the
19 Board shall be eligible for reappointment, subject to the
20 nomination process of the Nomination Panel, by at the
21 ~~discretion of~~ the Governor with the advice and consent of the
22 Senate.

23 Until all 5 members of the Board are appointed and
24 qualified pursuant to this amendatory Act of the 96th General
25 Assembly, the Illinois Gaming Board may not act with regard to
26 any license under which gambling operations are not being

1 conducted on the effective date of this amendatory Act;
2 however, the Board may issue electronic gaming licenses
3 pursuant to this amendatory Act.

4 (4) The chairman of the Board shall receive an annual
5 salary equal to the annual salary of a State appellate court
6 judge. Other members of the Board shall receive an annual
7 salary equal to the annual salary of a State circuit court
8 judge. ~~Each member of the Board shall receive \$300 for each day~~
9 ~~the Board meets and for each day the member conducts any~~
10 ~~hearing pursuant to this Act.~~ Each member of the Board shall
11 also be reimbursed for all actual and necessary expenses and
12 disbursements incurred in the execution of official duties.

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

26 (6) Any member of the Board may be removed by the Governor

1 for neglect of duty, misfeasance, malfeasance, or nonfeasance
2 in office or for engaging in any political activity.

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

22 (8) ~~The~~ ~~Upon the request of the Board, the Department~~ shall
23 employ such personnel as may be necessary to carry out its ~~the~~
24 functions and shall determine the salaries of all personnel,
25 except those personnel whose salaries are determined under the
26 terms of a collective bargaining agreement ~~of the Board.~~ No

1 person shall be employed to serve the Board who is, or whose
2 spouse, parent or child is, an official of, or has a financial
3 interest in or financial relation with, any operator engaged in
4 gambling operations within this State or any organization
5 engaged in conducting horse racing within this State. For the 2
6 years immediately preceding employment, an employee shall not
7 have been employed or received compensation or fees for
8 services from a person or entity, or its parent or affiliate,
9 that has engaged in business with the Board, a licensee, or a
10 licensee under the Horse Racing Act of 1975. Any employee
11 violating these prohibitions shall be subject to termination of
12 employment.

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

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

1 (1) To decide promptly and in reasonable order all
2 license applications. Any party aggrieved by an action of
3 the Board denying, suspending, revoking, restricting or
4 refusing to renew a license may request a hearing before
5 the Board. A request for a hearing must be made to the
6 Board in writing within 5 days after service of notice of
7 the action of the Board. Notice of the action of the Board
8 shall be served either by personal delivery or by certified
9 mail, postage prepaid, to the aggrieved party. Notice
10 served by certified mail shall be deemed complete on the
11 business day following the date of such mailing. The Board
12 shall conduct all requested hearings promptly and in
13 reasonable order;

14 (2) To conduct all hearings pertaining to civil
15 violations of this Act or rules and regulations promulgated
16 hereunder;

17 (3) To promulgate such rules and regulations as in its
18 judgment may be necessary to protect or enhance the
19 credibility and integrity of gambling operations
20 authorized by this Act and the regulatory process
21 hereunder;

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

1 (5) To provide for the levy and collection of penalties
2 and fines for the violation of provisions of this Act and
3 the rules and regulations promulgated hereunder. All such
4 fines and penalties shall be deposited into the Education
5 Assistance Fund, created by Public Act 86-0018, of the
6 State of Illinois;

7 (6) (Blank) ~~To be present through its inspectors and~~
8 ~~agents any time gambling operations are conducted on any~~
9 ~~riverboat for the purpose of certifying the revenue~~
10 ~~thereof, receiving complaints from the public, and~~
11 ~~conducting such other investigations into the conduct of~~
12 ~~the gambling games and the maintenance of the equipment as~~
13 ~~from time to time the Board may deem necessary and proper;~~

14 (7) To review and rule upon any complaint by a licensee
15 regarding any investigative procedures of the State which
16 are unnecessarily disruptive of gambling operations. The
17 need to inspect and investigate shall be presumed at all
18 times. The disruption of a licensee's operations shall be
19 proved by clear and convincing evidence, and establish
20 that: (A) the procedures had no reasonable law enforcement
21 purposes, and (B) the procedures were so disruptive as to
22 unreasonably inhibit gambling operations;

23 (8) (Blank) ~~To hold at least one meeting each quarter~~
24 ~~of the fiscal year. In addition, special meetings may be~~
25 ~~called by the Chairman or any 2 Board members upon 72 hours~~
26 ~~written notice to each member. All Board meetings shall be~~

1 ~~subject to the Open Meetings Act. Three members of the~~
2 ~~Board shall constitute a quorum, and 3 votes shall be~~
3 ~~required for any final determination by the Board. The~~
4 ~~Board shall keep a complete and accurate record of all its~~
5 ~~meetings. A majority of the members of the Board shall~~
6 ~~constitute a quorum for the transaction of any business,~~
7 ~~for the performance of any duty, or for the exercise of any~~
8 ~~power which this Act requires the Board members to~~
9 ~~transact, perform or exercise en banc, except that, upon~~
10 ~~order of the Board, one of the Board members or an~~
11 ~~administrative law judge designated by the Board may~~
12 ~~conduct any hearing provided for under this Act or by Board~~
13 ~~rule and may recommend findings and decisions to the Board.~~
14 ~~The Board member or administrative law judge conducting~~
15 ~~such hearing shall have all powers and rights granted to~~
16 ~~the Board in this Act. The record made at the time of the~~
17 ~~hearing shall be reviewed by the Board, or a majority~~
18 ~~thereof, and the findings and decision of the majority of~~
19 ~~the Board shall constitute the order of the Board in such~~
20 ~~case;~~

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

25 (10) (Blank) ~~To file a written annual report with the~~
26 ~~Governor on or before March 1 each year and such additional~~

1 ~~reports as the Governor may request. The annual report~~
2 ~~shall include a statement of receipts and disbursements by~~
3 ~~the Board, actions taken by the Board, and any additional~~
4 ~~information and recommendations which the Board may deem~~
5 ~~valuable or which the Governor may request;~~

6 (11) (Blank); ~~and~~

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

12 (13) To assume responsibility for the administration
13 and enforcement of operations at electronic gaming
14 facilities pursuant to this Act.

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

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

24 (2) To have jurisdiction and supervision over all
25 ~~riverboat~~ gambling operations authorized under this Act ~~in~~
26 ~~this State~~ and all persons in places ~~on riverboats~~ where

1 gambling operations are conducted.

2 (3) To promulgate rules and regulations for the purpose
3 of administering the provisions of this Act and to
4 prescribe rules, regulations and conditions under which
5 all ~~riverboat~~ gambling operations subject to this Act ~~in~~
6 ~~the State~~ shall be conducted. Such rules and regulations
7 are to provide for the prevention of practices detrimental
8 to the public interest and for the best interests of
9 ~~riverboat~~ gambling, including rules and regulations
10 regarding the inspection of licensed facilities ~~such~~
11 ~~riverboats~~ and the review of any permits or licenses
12 necessary to operate a licensed facility ~~riverboat~~ under
13 any laws or regulations applicable to licensed facilities
14 ~~riverboats,~~ and to impose penalties for violations
15 thereof.

16 (4) (Blank). ~~To enter the office, riverboats,~~
17 ~~facilities, or other places of business of a licensee,~~
18 ~~where evidence of the compliance or noncompliance with the~~
19 ~~provisions of this Act is likely to be found.~~

20 (5) To ~~investigate alleged violations of this Act or~~
21 ~~the rules of the Board and to~~ take appropriate disciplinary
22 action against a licensee ~~or a holder of an occupational~~
23 ~~license~~ for a violation, or institute appropriate legal
24 action for enforcement, or both.

25 (6) To adopt standards for the licensing of all persons
26 under this Act, as well as for electronic or mechanical

1 gambling games, and to establish fees for such licenses.

2 (7) To adopt appropriate standards for all licensed
3 facilities authorized under this Act ~~riverboats and~~
4 ~~facilities~~.

5 (8) To require that the records, including financial or
6 other statements of any licensee under this Act, shall be
7 kept in such manner as prescribed by the Board and that any
8 such licensee involved in the ownership or management of
9 gambling operations submit to the Board an annual balance
10 sheet and profit and loss statement, list of the
11 stockholders or other persons having a 1% or greater
12 beneficial interest in the gambling activities of each
13 licensee, and any other information the Board deems
14 necessary in order to effectively administer this Act and
15 all rules, regulations, orders and final decisions
16 promulgated under this Act.

17 (9) To conduct hearings, issue subpoenas for the
18 attendance of witnesses and subpoenas duces tecum for the
19 production of books, records and other pertinent documents
20 in accordance with the Illinois Administrative Procedure
21 Act, and to administer oaths and affirmations to the
22 witnesses, when, in the judgment of the Board, it is
23 necessary to administer or enforce this Act or the Board
24 rules.

25 (10) To prescribe a form to be used by any licensee
26 involved in the ownership or management of gambling

1 operations as an application for employment for their
2 employees.

3 (11) To revoke or suspend licenses, as the Board may
4 see fit and in compliance with applicable laws of the State
5 regarding administrative procedures, and to review
6 applications for the renewal of licenses.

7 (11.5) To ~~The Board may~~ suspend a ~~an owners~~ license,
8 without notice or hearing, u upon a determination that the
9 safety or health of patrons or employees is jeopardized by
10 continuing a gambling operation conducted under that
11 license a riverboat's operation. The suspension may remain
12 in effect until the Board determines that the cause for
13 suspension has been abated. After such a suspension, the
14 ~~The~~ Board may revoke a ~~the owners~~ license upon a
15 determination that the licensee ~~owner~~ has not made
16 satisfactory progress toward abating the hazard.

17 (12) (Blank). ~~To eject or exclude or authorize the~~
18 ~~ejection or exclusion of, any person from riverboat~~
19 ~~gambling facilities where such person is in violation of~~
20 ~~this Act, rules and regulations thereunder, or final orders~~
21 ~~of the Board, or where such person's conduct or reputation~~
22 ~~is such that his presence within the riverboat gambling~~
23 ~~facilities may, in the opinion of the Board, call into~~
24 ~~question the honesty and integrity of the gambling~~
25 ~~operations or interfere with orderly conduct thereof;~~
26 ~~provided that the propriety of such ejection or exclusion~~

1 ~~is subject to subsequent hearing by the Board.~~

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

7 (14) (Blank).

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

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

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

24 (18) To authorize a gaming licensee to sell or serve
25 alcoholic liquors, wine or beer as defined in the Liquor
26 Control Act of 1934 in a licensed facility ~~on board a~~

1 ~~riverboat~~ and to have exclusive authority to establish the
2 hours for sale and consumption of alcoholic liquor in a
3 licensed facility ~~on board a riverboat~~, notwithstanding
4 any provision of the Liquor Control Act of 1934 or any
5 local ordinance, and regardless of whether the riverboat
6 makes excursions. The establishment of the hours for sale
7 and consumption of alcoholic liquor in a licensed facility
8 ~~on board a riverboat~~ is an exclusive power and function of
9 the State. A home rule unit may not establish the hours for
10 sale and consumption of alcoholic liquor in a licensed
11 facility ~~on board a riverboat~~. This subdivision (18)
12 ~~amendatory Act of 1991~~ is a denial and limitation of home
13 rule powers and functions under subsection (h) of Section 6
14 of Article VII of the Illinois Constitution.

15 (19) After consultation with the U.S. Army Corps of
16 Engineers, to establish binding emergency orders upon the
17 concurrence of a majority of the members of the Board
18 regarding the navigability of water, relative to
19 excursions, in the event of extreme weather conditions,
20 acts of God or other extreme circumstances.

21 (20) To delegate the execution of any of its powers
22 under this Act for the purpose of administering and
23 enforcing this Act and its rules and regulations hereunder.

24 (21) To make rules concerning the conduct of electronic
25 gaming.

26 (22) To make rules concerning the conduct of electronic

1 poker.

2 (23) When all 5 members of the Board are appointed and
3 qualified pursuant to this amendatory Act of the 96th
4 General Assembly, to review all contracts entered into by
5 gaming licensees authorized under this Act. The Board must
6 review and approve all contracts entered into by a gaming
7 licensee for an aggregate amount of \$10,000 or more or for
8 a term to exceed 365 days. If an electronic gaming licensee
9 enters into a contract that is exclusively related to the
10 operation of the licensee's race track, however, then no
11 Board approval is necessary. If there is any doubt as to
12 whether a contract entered into is exclusively related to
13 the operation of the licensee's race track, then the
14 contract shall be determined to be subject to the
15 jurisdiction of the Board. If a contract has been entered
16 into prior to Board authorization of a requested action,
17 including without limitation a contract for a construction
18 project for expansion of a facility, or for construction of
19 a relocated facility, then the contract is not valid until
20 the Board approves both the requested action and the
21 contract itself.

22 (24) ~~(21)~~ To take any other action as may be reasonable
23 or appropriate to enforce this Act and rules and
24 regulations hereunder.

25 (d) (Blank). ~~The Board may seek and shall receive the~~
26 ~~cooperation of the Department of State Police in conducting~~

1 ~~background investigations of applicants and in fulfilling its~~
2 ~~responsibilities under this Section. Costs incurred by the~~
3 ~~Department of State Police as a result of such cooperation~~
4 ~~shall be paid by the Board in conformance with the requirements~~
5 ~~of Section 2605 400 of the Department of State Police Law (20~~
6 ~~ILCS 2605/2605 400).~~

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

13 (f) Except as provided in subsection (h) of Section 5.4,
14 all Board meetings are subject to the Open Meetings Act. Three
15 members of the Board constitute a quorum, and 3 votes are
16 required for any final determination by the Board. The Board
17 shall keep a complete and accurate record of all its meetings.
18 A majority of the members of the Board constitute a quorum for
19 the transaction of any business, for the performance of any
20 duty, or for the exercise of any power that this Act requires
21 the Board members to transact, perform, or exercise en banc,
22 except that, upon order of the Board, one of the Board members
23 or an administrative law judge designated by the Board may
24 conduct any hearing provided for under this Act or by Board
25 rule and may recommend findings and decisions to the Board. The
26 Board member or administrative law judge conducting such

1 hearing has all powers and rights granted to the Board in this
2 Act. The record made at the time of the hearing shall be
3 reviewed by the Board, or a majority thereof, and the findings
4 and decision of the majority of the Board constitutes the order
5 of the Board in such case.

6 (g) The Board shall carry on a continuous study of the
7 operation and administration of gaming laws that may be in
8 effect in other jurisdictions, literature on this subject that
9 may from time to time become available, federal laws that may
10 affect the operation of gaming in this State, and the reaction
11 of Illinois citizens to existing and potential features of
12 gaming under this Act. The Board is responsible for
13 ascertaining any defects in this Act or in the rules adopted
14 thereunder, formulating recommendations for changes in this
15 Act to prevent abuses thereof, guarding against the use of this
16 Act as a cloak for the carrying on of illegal gambling or other
17 criminal activities, and insuring that this Act and the rules
18 are in such form and so administered as to serve the true
19 purposes of this Act.

20 (h) The Board shall file with the Governor and the General
21 Assembly an annual report of (i) all revenues, expenses, and
22 disbursements, (ii) actions taken by the Board, (iii) activity
23 at Responsible Play Information Centers at licensed
24 facilities, and (iv) any recommendations for changes in this
25 Act as the Board deems necessary or desirable. The Board shall
26 also report recommendations that promote more efficient

1 operations of the Board.

2 (i) The Board shall report immediately to the Governor and
3 the General Assembly any matters that in its judgment require
4 immediate changes in the laws of this State in order to prevent
5 abuses and evasions of this Act or of its rules or to rectify
6 undesirable conditions in connection with the operation and
7 regulation of gambling operations.

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

10 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

11 Sec. 5.1. Disclosure of records.

12 (a) Notwithstanding any applicable statutory provision to
13 the contrary, the Board shall, on written request from any
14 person, provide information furnished by an applicant for a
15 gaming license or a gaming licensee concerning the applicant or
16 licensee, his products, services or gambling enterprises and
17 his business holdings, as follows:

18 (1) The name, business address and business telephone
19 number of any applicant or licensee.

20 (2) An identification of any applicant or licensee
21 including, if an applicant or licensee is not an
22 individual, the state of incorporation or registration,
23 the corporate officers, and the identity of all
24 shareholders or participants. If an applicant or licensee
25 has a pending registration statement filed with the

1 Securities and Exchange Commission, only the names of those
2 persons or entities holding interest of 1% ~~5%~~ or more must
3 be provided.

4 (3) An identification of any business, including, if
5 applicable, the state of incorporation or registration, in
6 which an applicant or licensee or an applicant's or
7 licensee's spouse or children has an equity interest of
8 more than 1% ~~5%~~. If an applicant or licensee is a
9 corporation, partnership or other business entity, the
10 applicant or licensee shall identify any other
11 corporation, partnership or business entity in which it has
12 an equity interest of 1% ~~5%~~ or more, including, if
13 applicable, the state of incorporation or registration.
14 This information need not be provided by a corporation,
15 partnership or other business entity that has a pending
16 registration statement filed with the Securities and
17 Exchange Commission.

18 (4) Whether an applicant or licensee has been indicted,
19 convicted, pleaded guilty or nolo contendere, or forfeited
20 bail concerning any criminal offense under the laws of any
21 jurisdiction, either felony or misdemeanor (except for
22 traffic violations), including the date, the name and
23 location of the court, arresting agency and prosecuting
24 agency, the case number, the offense, the disposition and
25 the location and length of incarceration.

26 (5) Whether an applicant or licensee has had any

1 license or certificate issued by a licensing authority in
2 Illinois or any other jurisdiction denied, restricted,
3 suspended, revoked or not renewed and a statement
4 describing the facts and circumstances concerning the
5 denial, restriction, suspension, revocation or
6 non-renewal, including the licensing authority, the date
7 each such action was taken, and the reason for each such
8 action.

9 (6) Whether an applicant or licensee has ever filed or
10 had filed against it a proceeding in bankruptcy or has ever
11 been involved in any formal process to adjust, defer,
12 suspend or otherwise work out the payment of any debt
13 including the date of filing, the name and location of the
14 court, the case and number of the disposition.

15 (7) Whether an applicant or licensee has filed, or been
16 served with a complaint or other notice filed with any
17 public body, regarding the delinquency in the payment of,
18 or a dispute over the filings concerning the payment of,
19 any tax required under federal, State or local law,
20 including the amount, type of tax, the taxing agency and
21 time periods involved.

22 (8) A statement listing the names and titles of all
23 public officials or officers of any unit of government, and
24 relatives of said public officials or officers who,
25 directly or indirectly, own any financial interest in, have
26 any beneficial interest in, are the creditors of or hold

1 any debt instrument issued by, or hold or have any interest
2 in any contractual or service relationship with, an
3 applicant or licensee.

4 (9) Whether an applicant or licensee has made, directly
5 or indirectly, any political contribution, or any loans,
6 donations or other payments, to any candidate or office
7 holder, within 5 years from the date of filing the
8 application, including the amount and the method of
9 payment.

10 (10) The name and business telephone number of the
11 counsel representing an applicant or licensee in matters
12 before the Board.

13 (11) A description of any proposed or approved gambling
14 ~~riverboat gaming~~ operation, including the type of boat (if
15 applicable), ~~home dock~~ location, expected economic benefit
16 to the community, anticipated or actual number of
17 employees, any statement from an applicant or licensee
18 regarding compliance with federal and State affirmative
19 action guidelines, projected or actual admissions and
20 projected or actual adjusted gross gaming receipts.

21 (12) A description of the product or service to be
22 supplied by an applicant for a supplier's license.

23 (b) Notwithstanding any applicable statutory provision to
24 the contrary, the Board shall, on written request from any
25 person, also provide the following information furnished by an
26 applicant for a gaming license or gaming licensee:

1 (1) The amount of the wagering tax and admission tax
2 paid daily to the State of Illinois by the holder of an
3 owner's license.

4 (2) Whenever the Board finds an applicant for an
5 owner's license unsuitable for licensing, a copy of the
6 written letter outlining the reasons for the denial.

7 (3) Whenever the Board has refused to grant leave for
8 an applicant to withdraw his application, a copy of the
9 letter outlining the reasons for the refusal.

10 (c) Subject to the above provisions, the Board shall not
11 disclose any information which would be barred by:

12 (1) Section 7 of the Freedom of Information Act; or

13 (2) The statutes, rules, regulations or
14 intergovernmental agreements of any jurisdiction.

15 (d) The Board may assess fees for the copying of
16 information in accordance with Section 6 of the Freedom of
17 Information Act.

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

19 (230 ILCS 10/5.2 new)

20 Sec. 5.2. Separation from Department of Revenue. On the
21 effective date of this amendatory Act of the 96th General
22 Assembly, all of the powers, duties, assets, liabilities,
23 employees, contracts, property, records, pending business, and
24 unexpended appropriations of the Department of Revenue related
25 to the administration and enforcement of this Act are

1 transferred to the Illinois Gaming Board and the Office of
2 Gaming Enforcement.

3 The status and rights of the transferred employees, and the
4 rights of the State of Illinois and its agencies, under the
5 Personnel Code and applicable collective bargaining agreements
6 or under any pension, retirement, or annuity plan are not
7 affected (except as provided in the Illinois Pension Code) by
8 that transfer or by any other provision of this amendatory Act
9 of the 96th General Assembly.

10 (230 ILCS 10/5.3 new)

11 Sec. 5.3. Nomination Panel.

12 (a) The Nomination Panel is established to provide a list
13 of nominees to the Governor for appointment to the Illinois
14 Gaming Board, the Illinois Racing Board, and the position of
15 Director of Gaming Enforcement. Members of the Nomination Panel
16 shall be appointed by majority vote of the following appointing
17 authorities: (1) the Executive Ethics Commissioner appointed
18 by the Secretary of State; (2) the Executive Ethics
19 Commissioner appointed by the Treasurer; (3) the Executive
20 Ethics Commissioner appointed by the Comptroller; (4) the
21 Executive Ethics Commissioner appointed by the Attorney
22 General; and (5) the Executive Ethics Commissioner appointed to
23 serve as the first Chairman of the Executive Ethics Commission,
24 or, upon his disqualification or resignation, the
25 longest-serving Executive Ethics Commissioner appointed by the

1 Governor. Provided, however, the appointing authorities as of
2 the effective date of this amendatory Act of the 96th General
3 Assembly shall remain empowered to fill vacancies on the
4 Nomination Panel until all members of the new Gaming Board,
5 Racing Board, and Director of Gaming Enforcement have been
6 appointed and qualified, regardless of whether such appointing
7 authorities remain members of the Executive Ethics Commission.
8 For appointing authorities who were appointed to the Executive
9 Ethics Commission by a Constitutional officer other than the
10 Governor, in the event of such appointing authority's
11 disqualification, resignation, or refusal to serve as an
12 appointing authority, the Constitutional officer that
13 appointed the Executive Ethics Commissioner may name a designee
14 to serve as an appointing authority for the Nomination Panel.
15 For the appointing authority who was appointed to the Executive
16 Ethics Commission by the Governor, in the event of such
17 appointing authority's disqualification, resignation, or
18 refusal to serve as an appointing authority, the
19 longest-serving Executive Ethics Commissioner appointed by the
20 Governor shall become the appointing authority. The appointing
21 authorities may hold so many public or non-public meetings as
22 is required to fulfill their duties, and may utilize the staff
23 and budget of the Executive Ethics Commission in carrying out
24 their duties; provided, however, that a final vote on
25 appointees to the Nomination Panel shall take place in a
26 meeting governed by the Open Meetings Act. Any ex parte

1 communications regarding the Nomination Panel must be made a
2 part of the record at the next public meeting and part of a
3 written record. The appointing authorities shall file a list of
4 members of the Nomination Panel with the Secretary of State
5 within 60 days after the effective date of this amendatory Act
6 of the 96th General Assembly. A vacancy on the Nomination Panel
7 due to disqualification or resignation must be filled within 60
8 days of a vacancy and the appointing authorities must file the
9 name of the new appointee with the Secretary of State.

10 (b) The Nomination Panel shall consist of the following
11 members: (i) 2 members shall be former federal or State judges
12 from Illinois, (ii) 2 members shall be former federal
13 prosecutors from Illinois, (iii) one member shall be a former
14 sworn federal officer with investigatory experience with a
15 federal agency, including but not limited to the Federal Bureau
16 of Investigation, the Internal Revenue Service, the Securities
17 and Exchange Commission, the Drug Enforcement Administration,
18 the Bureau of Alcohol, Tobacco, Firearms and Explosives, or any
19 other federal agency, (iv) 2 former members of federal agencies
20 with experience in regulatory oversight, and (v) 2 members with
21 at least 5 years of experience with nonprofit agencies in
22 Illinois committed to public-interest advocacy, after the
23 appointing authorities' solicitation of recommendations from
24 the Campaign for Political Reform, the Better Government
25 Association, the Chicago Crime Commission, the League of Women
26 Voters, the Urban League, the Mexican American Legal Defense

1 and Educational Fund, the Citizen Advocacy Center, and any
2 other source deemed appropriate. Each member of the Panel shall
3 receive \$300 for each day the Panel meets.

4 (c) Candidates for nomination to the Illinois Gaming Board,
5 the Illinois Racing Board, or the position of Director of
6 Gaming Enforcement may apply or be nominated. All candidates
7 must fill out a written application and submit to a background
8 investigation to be eligible for consideration. The written
9 application must include, at a minimum, a sworn statement
10 disclosing any communications that the applicant has engaged in
11 with a constitutional officer, a member of the General
12 Assembly, a special government agent (as that term is defined
13 in Section 4A-101 of the Illinois Governmental Ethics Act), a
14 director, secretary, or other employee of the executive branch
15 of the State, or an employee of the legislative branch of the
16 State related to the regulation of gaming within the last year.

17 A person who provides false or misleading information on
18 the application or fails to disclose a communication required
19 to be disclosed in the sworn statement under this Section is
20 guilty of a Class 4 felony.

21 (d) Once an application is submitted to the Nomination
22 Panel and until (1) the candidate is rejected by the Nomination
23 Panel, (2) the candidate is rejected by the Governor, (3) the
24 candidate is rejected by the Senate, or (4) the candidate is
25 confirmed by the Senate, whichever is applicable, a candidate
26 may not engage in ex parte communications, as that term is

1 defined in Section 5.5 of this Act.

2 (e) For the purpose of making the initial nominations after
3 the effective date of the amendatory Act of the 96th General
4 Assembly, the Nomination Panel shall request the assistance of
5 the Federal Bureau of Investigation to conduct the background
6 investigation. If the Federal Bureau of Investigation does not
7 agree to conduct the background investigations within 120 days
8 after the request, the Nomination Panel may contract with an
9 independent agency that specialized in conducting personal
10 investigations. The Nomination Panel, however, may not engage
11 the services or enter into any contract with State or local
12 agencies. The Nomination Panel shall conduct a background
13 investigation on eligible applicants prior to nomination.
14 After the Office of Gaming Enforcement is operational, the
15 Nomination Panel must use the Office of Gaming Enforcement's
16 investigatory staff. The Office may seek the assistance of the
17 Federal Bureau of Investigations or an independent agency that
18 specializes in conducting background investigations. The
19 Office may not, however, enter into any intergovernmental
20 agreements with State or local agencies.

21 (f) The Nomination Panel must review written applications,
22 determine eligibility for oral interviews, confirm
23 satisfactory background investigations, and hold public
24 hearings on qualifications of candidates. Initial interviews
25 of candidates need not be held in meetings subject to the Open
26 Meetings Act; members or staff may arrange for informal

1 interviews. Prior to recommendation, however, the Nomination
2 Panel must question candidates in a meeting subject to the Open
3 Meetings Act under oath.

4 (g) The Nomination Panel must recommend 15 candidates for
5 nomination to the Illinois Gaming Board, 21 candidates for
6 nomination to the Illinois Racing Board, and 3 candidates for
7 nomination to the position of Director of Gaming Enforcement.
8 The Governor may choose only from these recommendations. The
9 Nomination Panel shall deliver a list of the nominees,
10 including a memorandum detailing the nominees' qualifications,
11 to the Governor. After submitting the names to the Governor,
12 the Nomination Panel shall file a copy along with a statement
13 confirming delivery of the list and memorandum to the Governor
14 with the Secretary of State. The Secretary of State shall
15 indicate the date and time of filing.

16 (h) After reviewing the nominations, the Governor may
17 select 5 nominees for the Illinois Gaming Board, 7 nominees for
18 the Illinois Racing Board, and one nominee for the Director of
19 Gaming Enforcement to be confirmed by the Senate. The Governor
20 shall file the names of his nominees with the Senate and the
21 Secretary of State. The Secretary of State shall indicate the
22 date and time of filing.

23 The Governor has 90 days from the date the Nomination Panel
24 files with the Secretary of State to select nominees for
25 confirmation by the Senate. If the Governor does not select all
26 nominees within 90 days, the Nomination Panel may select the

1 members or remaining members of the Board or the Director of
2 Gaming Enforcement. The Nomination Panel shall file the names
3 of nominees with the Senate and the Secretary of State. The
4 Secretary of State shall indicate the date and time of filing.

5 (i) Selections by the Governor or Nomination Panel must
6 receive the consent of the Senate by two-thirds of members by
7 record vote. Any nomination not acted upon within 30 calendar
8 days after the date of filing with the Secretary of State shall
9 be deemed to have received the advice and consent of the
10 Senate.

11 (j) When a vacancy occurs on the Illinois Gaming Board or
12 Illinois Racing Board or for the position of the Director of
13 Gaming Enforcement, the Nomination Panel shall use its best
14 efforts to recommend at least 3 candidates for that vacancy
15 within 90 days after the vacancy, and the Governor shall
16 respond within 90 days or the Nomination Panel may make the
17 appointment. Vacancies shall be confirmed in the same manner
18 prescribed in this Section.

19 (230 ILCS 10/5.4 new)

20 Sec. 5.4. Office of Gaming Enforcement.

21 (a) There is established the Office of Gaming Enforcement,
22 which shall have the powers and duties specified in this Act or
23 the Illinois Horse Racing Act of 1975. Its jurisdiction shall
24 extend under this Act and the Illinois Horse Racing Act of 1975
25 to every licensee, person, association, corporation,

1 partnership and trust involved in gambling operations in the
2 State of Illinois.

3 (b) The Office shall have an officer as its head who shall
4 be known as the Director and who shall execute the powers and
5 discharge the duties given to the Office by this Act and the
6 Illinois Horse Racing Act of 1975. The Director must have at
7 least 10 years experience in law enforcement and investigatory
8 methods at the federal or state level, but not necessarily in
9 Illinois, with a preference given for experience in regulation
10 or investigation in the gaming industry. Nominations for the
11 position of Director must be made by the Nomination Panel as
12 provided in Section 5.3. The Director of the Office may be
13 removed by the Governor for neglect of duty, misfeasance,
14 malfeasance, or nonfeasance in office. The Director shall
15 receive an annual salary equal to the annual salary of a State
16 appellate court judge and shall hold no other employment for
17 which he or she receives compensation. The Director may not
18 hold a local, state, or federal elective or appointive office
19 or be employed by a local, state, or federal governmental
20 entity while in office.

21 (c) The Director shall employ such personnel as may be
22 necessary to carry out the functions of the Office and shall
23 determine the salaries of all personnel, except those personnel
24 whose salaries are determined under the terms of a collective
25 bargaining agreement. An employee or the employee's spouse,
26 parent, or child, may not, for 2 years before employment,

1 during employment, and for 5 years after employment by the
2 Office have a financial interest in or financial relationship
3 with, any operator engaged in gambling operations within this
4 State or any organization engaged in conducting horse racing
5 within this State. Any employee violating these prohibitions is
6 subject to termination of employment.

7 (d) The Office shall have general responsibility for the
8 investigation and enforcement under this Act and the Illinois
9 Horse Racing Act of 1975. Its duties include without limitation
10 the following:

11 (1) To be present through its inspectors and agents any
12 time gambling operations are conducted for the purpose of
13 certifying the revenue thereof, receiving complaints from
14 the public, and conducting such other investigations into
15 the conduct of the gambling games and the maintenance of
16 the equipment as from time to time the Board may deem
17 necessary and proper.

18 (2) To supervise all gambling operations authorized
19 under this Act and the Illinois Horse Racing Act of 1975
20 and all persons in places where gambling operations are
21 conducted.

22 (3) To promulgate rules regarding the inspection of
23 riverboats and electronic gaming facilities.

24 (4) To enter the licensed facility or other places of
25 business of a licensee under this Act or the Illinois Horse
26 Racing Act of 1975 where evidence of the compliance or

1 noncompliance with the provisions of those Acts are likely
2 to be found.

3 (5) To exchange fingerprint data with, and receive
4 criminal history record information from, the Federal
5 Bureau of Investigation and the Department of State Police
6 for use in considering applicants for any license.

7 (6) To eject or exclude or authorize the ejection or
8 exclusion of any person from licensed facilities where the
9 person is in violation of this Act or the Illinois Horse
10 Racing Act of 1975, rules thereunder, or final orders of
11 the appropriate Board, or where such person's conduct or
12 reputation is such that his or her presence within the
13 licensed facilities may call into question the honesty and
14 integrity of the gambling operations or interfere with the
15 orderly conduct thereof; provided that the propriety of
16 such ejection or exclusion is subject to subsequent
17 hearing.

18 (7) To hire employees to gather information, conduct
19 investigations, and carry out any other tasks contemplated
20 under this Act or the Illinois Horse Racing Act of 1975.

21 (8) To conduct investigations on its own initiative or
22 as requested by the Illinois Gaming Board, Illinois Racing
23 Board, or the Nomination Panel, including without
24 limitation investigations for suspected violations of this
25 Act and the Illinois Horse Racing Act of 1975 and
26 investigations for issuance or renewal of a license.

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

7 (f) The Office is a law enforcement agency, and its
8 employees and agents shall have such law enforcement powers as
9 may be delegated to them by the Attorney General to effectuate
10 the purposes of this Act.

11 (g) Whenever the Office has reason to believe that any
12 person may be in possession, custody, or control of any
13 documentary material or information relevant to an
14 investigation, the Office may, before commencing a civil
15 proceeding under this Act, issue in writing and cause to be
16 served upon such person, a subpoena requiring such person: (A)
17 to produce such documentary material for inspection and
18 copying, (B) to answer, in writing, written interrogatories
19 with respect to such documentary material or information, (C)
20 to give oral testimony concerning such documentary material or
21 information, or (D) to furnish any combination of such
22 material, answers, or testimony.

23 (h) The Office may order any person to answer a question or
24 questions or produce evidence of any kind and confer immunity
25 as provided in this subsection. If, in the course of any
26 investigation or hearing conducted under this Act, a person

1 refuses to answer a question or produce evidence on the ground
2 that he or she will be exposed to criminal prosecution thereby,
3 then in addition to any other remedies or sanctions provided
4 for by this Act, the Office may, by resolution of the Board and
5 after the written approval of the Attorney General, issue an
6 order to answer or to produce evidence with immunity. Hearings,
7 documents, and other communications regarding the granting of
8 immunity are not subject to the Freedom of Information Act or
9 the Open Meetings Act. If, upon issuance of such an order, the
10 person complies therewith, he or she shall be immune from
11 having such responsive answer given by him or her or such
12 responsive evidence produced by him or her, or evidence derived
13 therefrom, used to expose him or her to criminal prosecution,
14 except that such person may nevertheless be prosecuted for any
15 perjury committed in such answer or in producing such evidence,
16 or for contempt for failing to give an answer or produce
17 evidence in accordance with the order of the Office; provided,
18 however, that no period of incarceration for contempt shall
19 exceed 18 months in duration. Any such answer given or evidence
20 produced shall be admissible against him or her upon any
21 criminal investigation, proceeding, or trial against him or her
22 for such perjury; upon any investigation, proceeding or trial
23 against him or her for such contempt; or in any manner
24 consistent with State and constitutional provisions.

25 (i) When the Office or any entity authorized under this Act
26 or the Illinois Horse Racing Act of 1975 is authorized or

1 required by law to conduct a background investigation, the
2 Office shall:

3 (1) conduct a criminal history record check
4 investigation to obtain any information currently or
5 subsequently contained in the files of the State Police
6 and, if possible, the Federal Bureau of Investigation,
7 regarding possible criminal behavior, including
8 misdemeanor and felony convictions;

9 (2) conduct a civil action record check investigation
10 to obtain information regarding any civil matters to which
11 the person was a party, witness, or in any way
12 substantially participated in the matter;

13 (3) conduct investigation of personal and professional
14 references and acquaintances, including, but not limited
15 to, current and former employers or employees; or

16 (4) conduct investigation of financial history.

17 (230 ILCS 10/5.5 new)

18 Sec. 5.5. Ethics provisions.

19 (a) Conflict of Interest. Board members, members of the
20 Nomination Panel, the Director of Gaming Enforcement, and
21 employees may not engage in communications or any activity that
22 may cause or have the appearance of causing a conflict of
23 interest. A conflict of interest exists if a situation
24 influences or creates the appearance that it may influence
25 judgment or performance of regulatory duties and

1 responsibilities. This prohibition shall extend to any act
2 identified by Board action that, in the judgment of the Board,
3 could represent the potential for or the appearance of a
4 conflict of interest.

5 (b) Financial Interest. Board members, members of the
6 Nomination Panel, the Director of Gaming Enforcement, and
7 employees may not have a financial interest, directly or
8 indirectly, in his or her own name or in the name of any other
9 person, partnership, association, trust, corporation, or other
10 entity, in any contract or subcontract for the performance of
11 any work for the Board of any licensee. This prohibition shall
12 extend to the holding or acquisition of an interest in any
13 entity identified by Board action that, in the judgment of the
14 Board, could represent the potential for or the appearance of a
15 financial interest. The holding or acquisition of an interest
16 in such entities through an indirect means, such as through a
17 mutual fund, shall not be prohibited, except that Board may
18 identify specific investments or funds that, in its judgment,
19 are so influenced by gaming holdings as to represent the
20 potential for or the appearance of a conflict of interest.

21 (c) Gambling. Except as may be required in the conduct of
22 official duties, Board members and employees shall not engage
23 in gambling on any riverboat or in an electronic gaming
24 facility licensed by the Board or engage in legalized gambling
25 in any establishment identified by Board action that, in the
26 judgment of the Board, could represent a potential for a

1 conflict of interest.

2 (d) Outside employment. A Board member, an employee, or the
3 Director of Gaming Enforcement may not, within a period of 5
4 years immediately after termination of employment, knowingly
5 accept employment or receive compensation or fees for services
6 from a person or entity, or its parent or affiliate, that has
7 engaged in business with the Board that resulted in contracts
8 with an aggregate value of at least \$25,000 or made a decision
9 that directly applied to the person or entity, or its parent or
10 affiliate. Board members and employees shall not hold or pursue
11 employment, office, position, business, or occupation that
12 conflict with his or her official duties. Board members shall
13 not engage in other employment. Employees may engage in other
14 gainful employment so long as that employment does not
15 interfere or conflict with their duties and such employment is
16 approved by the Board.

17 (e) Gift ban. Board members, the Director of Gaming
18 Enforcement, and employees may not accept any gift, gratuity,
19 service, compensation, travel, lodging, or thing of value, with
20 the exception of unsolicited items of an incidental nature,
21 from any person, corporation or entity doing business with the
22 Board. For the Director and employees of the Office of Gaming
23 Enforcement, this ban shall also apply to any person,
24 corporation, or entity doing business with the Illinois Racing
25 Board.

26 (f) Abuse of Position. A Board member, member of the

1 Nomination Panel, Director of Gaming Enforcement, or employee
2 shall not use or attempt to use his or her official position to
3 secure, or attempt to secure, any privilege, advantage, favor,
4 or influence for himself or herself or others.

5 (g) Political activity. No member of the Board, employee,
6 or the Director of Gaming Enforcement shall engage in any
7 political activity. For the purposes of this subsection,
8 "political activity" means any activity in support of or in
9 connection with any campaign for State or local elective office
10 or any political organization, but does not include activities
11 (i) relating to the support of opposition of any executive,
12 legislative, or administrative action (as those terms are
13 defined in Section 2 of the Lobbyist Registration Act), (ii)
14 relating to collective bargaining, or (iii) that are otherwise
15 in furtherance of the person's official State duties or
16 governmental and public service functions.

17 (h) A spouse, child, or parent of a Board member, the
18 Director of Gaming Enforcement, or an employee may not:

19 (1) Have a financial interest, directly or indirectly,
20 in his or her own name or in the name of any other person,
21 partnership, association, trust, corporation, or other
22 entity, in any contract or subcontract for the performance
23 of any work for the Board of any licensee. This prohibition
24 shall extend to the holding or acquisition of an interest
25 in any entity identified by Board action that, in the
26 judgment of the Board, could represent the potential for or

1 the appearance of a conflict of interest. The holding or
2 acquisition of an interest in such entities through an
3 indirect means, such as through a mutual fund, shall not be
4 prohibited, except that the Board may identify specific
5 investments or funds that, in its judgment, are so
6 influenced by gaming holdings as to represent the potential
7 for or the appearance of a conflict of interest.

8 (2) Accept any gift, gratuity, service, compensation,
9 travel, lodging, or thing of value, with the exception of
10 unsolicited items of an incidental nature, from any person,
11 corporation or entity doing business with the Board.

12 (i) Any Board member, member of the Nomination Panel,
13 Director of Gaming Enforcement, or employee or spouse, child,
14 or parent of a Board member, member of the Nomination Panel,
15 Director of Gaming Enforcement, or employee who violates any
16 provision of this Section is guilty of a Class 4 felony.

17 (230 ILCS 10/5.7 new)

18 Sec. 5.7. Ex parte communications.

19 (a) For the purpose of this Section:

20 "Ex parte communication" means any written or oral
21 communication by any person that imparts or requests material
22 information or makes a material argument regarding potential
23 action concerning regulatory, quasi regulatory, investment, or
24 licensing matters pending before or under consideration by the
25 Illinois Gaming Board. "Ex parte communication" does not

1 include the following: (i) statements by a person publicly made
2 in a public forum; (ii) statements regarding matters of
3 procedure and practice, such as format, the number of copies
4 required, the manner of filing, and the status of a matter;
5 (iii) statements regarding recommendation for pending or
6 approved legislation; (iv) statements made by a State employee
7 of the agency to the agency head or other employees of that
8 agency.

9 "Interested party" means a person or entity whose rights,
10 privileges, or interests are the subject of or are directly
11 affected by a regulatory, quasi-adjudicatory, investment, or
12 licensing matter of the Board.

13 (b) A constitutional officer, a member of the General
14 Assembly, a special government agent as that term is defined in
15 Section 4A-101 of the Illinois Governmental Ethics Act, a
16 director, secretary, or other employee of the executive branch
17 of the State, an employee of the legislative branch of the
18 State, or an interested party may not engage in any ex parte
19 communication with a member of the Board or an employee. A
20 member of the Board or an employee must immediately report any
21 ex parte communication to the Inspector General for gaming
22 activities. A violation of this subsection (b) is a Class 4
23 felony.

24 (c) A constitutional officer, a member of the General
25 Assembly, a special government agent as that term is defined in
26 Section 4A-101 of the Illinois Governmental Ethics Act, a

1 director, secretary, or other employee of the executive branch
2 of the State, an employee of the legislative branch of the
3 State, or an interested party may not engage in any ex parte
4 communication with a nominee for the Board or a nominee for the
5 Director of Gaming Enforcement. A person is deemed a nominee
6 once they have submitted information to the nomination panel. A
7 nominee must immediately report any ex parte communication to
8 the Inspector General for gaming activities. A violation of
9 this subsection (c) is a Class 4 felony.

10 (d) Any ex parte communication from a constitutional
11 officer, a member of the General Assembly, a special government
12 agent as that term is defined in Section 4A-101 of the Illinois
13 Governmental Ethics Act, a director, secretary, or other
14 employee of the executive branch of the State, an employee of
15 the legislative branch of the State, or an interested party
16 received by a member of the Nomination Panel or employee
17 assisting the Nomination Panel must be immediately
18 memorialized and made a part of the record at the next meeting.
19 Report of the communication shall include all written
20 communications along with a statement describing the nature and
21 substance of all oral communications, any action the person
22 requested or recommended, the identity and job title of the
23 person to whom each communication was made, all responses made
24 by the member. A violation of this subsection (d) is Class A
25 misdemeanor.

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

2 Sec. 7. Owners Licenses.

3 (a) The Board shall issue owners licenses to persons, firms
4 or corporations which apply for such licenses upon payment to
5 the Board of the non-refundable license fee set by the Board
6 pursuant to this Act, ~~upon payment of a \$25,000 license fee for~~
7 ~~the first year of operation and a \$5,000 license fee for each~~
8 ~~succeeding year~~ and upon a determination by the Board that the
9 applicant is eligible for an owners license pursuant to this
10 Act and the rules of the Board. From the effective date of this
11 amendatory Act of the 95th General Assembly until (i) 3 years
12 after the effective date of this amendatory Act of the 95th
13 General Assembly, (ii) the date any organization licensee
14 begins to operate a slot machine or video game of chance under
15 the Illinois Horse Racing Act of 1975 or this Act, (iii) the
16 date that payments begin under subsection (c-5) of Section 13
17 of the Act, or (iv) the wagering tax imposed under Section 13
18 of this Act is increased by law to reflect a tax rate that is at
19 least as stringent or more stringent than the tax rate
20 contained in subsection (a-3) of Section 13, whichever occurs
21 first, as a condition of licensure and as an alternative source
22 of payment for those funds payable under subsection (c-5) of
23 Section 13 of this ~~the Riverboat Gambling~~ Act, any owners
24 licensee that holds or receives its owners license on or after
25 the effective date of this amendatory Act of the 94th General
26 Assembly, other than an owners licensee operating a riverboat

1 with adjusted gross receipts in calendar year 2004 of less than
2 \$200,000,000, must pay into the Horse Racing Equity Trust Fund,
3 in addition to any other payments required under this Act, an
4 amount equal to 3% of the adjusted gross receipts received by
5 the owners licensee. The payments required under this Section
6 shall be made by the owners licensee to the State Treasurer no
7 later than 3:00 o'clock p.m. of the day after the day when the
8 adjusted gross receipts were received by the owners licensee. A
9 person, firm or corporation is ineligible to receive an owners
10 license if:

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

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

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

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

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

22 (6) the firm or corporation employs a person defined in
23 (1), (2), (3) or (4) who participates in the management or
24 operation of gambling operations authorized under this
25 Act;

26 (7) (blank); or

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

4 (a-5) The Board shall establish annual fees for the
5 issuance or renewal of owners licenses by rule. The issuance
6 fee shall be based upon the cost of investigation and
7 consideration of the license application and shall not be less
8 than \$250,000.

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

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

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

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

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

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

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

5 (4) the extent to which the ownership of the applicant
6 reflects the diversity of the State by including minority
7 persons and females and the good faith affirmative action
8 plan of each applicant to recruit, train and upgrade
9 minority persons and females in all employment
10 classifications;

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

13 (6) whether the applicant has adequate capitalization
14 to provide and maintain, for the duration of a license, a
15 riverboat;

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

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

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

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

24 (e) The Board may issue up to 10 licenses authorizing the
25 holders of such licenses to own riverboats. In the application
26 for an owners license, the applicant shall state the dock at

1 which the riverboat is based and the water on which the
2 riverboat will be located. The Board shall issue 5 licenses to
3 become effective not earlier than January 1, 1991. Three of
4 such licenses shall authorize riverboat gambling on the
5 Mississippi River, or, with approval by the municipality in
6 which the riverboat was docked on August 7, 2003 and with Board
7 approval, be authorized to relocate to a new location, in a
8 municipality that (1) borders on the Mississippi River or is
9 within 5 miles of the city limits of a municipality that
10 borders on the Mississippi River and (2), on August 7, 2003,
11 had a riverboat conducting riverboat gambling operations
12 pursuant to a license issued under this Act; one of which shall
13 authorize riverboat gambling from a home dock in the city of
14 East St. Louis. One other license shall authorize riverboat
15 gambling on the Illinois River south of Marshall County. The
16 Board shall issue one additional license to become effective
17 not earlier than March 1, 1992, which shall authorize riverboat
18 gambling on the Des Plaines River in Will County. The Board may
19 issue 4 additional licenses to become effective not earlier
20 than March 1, 1992. In determining the water upon which
21 riverboats will operate, the Board shall consider the economic
22 benefit which riverboat gambling confers on the State, and
23 shall seek to assure that all regions of the State share in the
24 economic benefits of riverboat gambling.

25 In granting all licenses, the Board may give favorable
26 consideration to economically depressed areas of the State, to

1 applicants presenting plans which provide for significant
2 economic development over a large geographic area, and to
3 applicants who currently operate non-gambling riverboats in
4 Illinois. The Board shall review all applications for owners
5 licenses, and shall inform each applicant of the Board's
6 decision. The Board may grant an owners license to an applicant
7 that has not submitted the highest license bid, but if it does
8 not select the highest bidder, the Board shall issue a written
9 decision explaining why another applicant was selected and
10 identifying the factors set forth in this Section that favored
11 the winning bidder.

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

18 (f) The first 10 owners licenses issued under this Act
19 shall permit the holder to own up to 2 riverboats and equipment
20 thereon for a period of 3 years after the effective date of the
21 license. Holders of the first 10 owners licenses must pay the
22 annual license fee for each of the 3 years during which they
23 are authorized to own riverboats.

24 (g) Upon the termination, expiration, or revocation of each
25 of the first 10 licenses, which shall be issued for a 3 year
26 period, all licenses are renewable annually upon payment of the

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

6 (h) An owners license shall entitle the licensee to own up
7 to 2 riverboats. A licensee shall limit the number of gambling
8 participants to 1,200 for any such owners license. A licensee
9 may operate both of its riverboats concurrently, provided that
10 the total number of gambling participants on both riverboats
11 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 an authorized capacity of at least 400 persons.

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

25 (j) The Board may issue or re-issue a license authorizing a
26 riverboat to dock in a municipality or approve a relocation

1 under Section 11.2 only if, prior to the issuance or
2 re-issuance of the license or approval, the governing body of
3 the municipality in which the riverboat will dock has by a
4 majority vote approved the docking of riverboats in the
5 municipality. The Board may issue or re-issue a license
6 authorizing a riverboat to dock in areas of a county outside
7 any municipality or approve a relocation under Section 11.2
8 only if, prior to the issuance or re-issuance of the license or
9 approval, the governing body of the county has by a majority
10 vote approved of the docking of riverboats within such areas.

11 (Source: P.A. 94-667, eff. 8-23-05; 94-804, eff. 5-26-06;
12 95-1008, eff. 12-15-08.)

13 (230 ILCS 10/7.3)

14 Sec. 7.3. State conduct of gambling operations.

15 (a) If, after reviewing each application for a new or
16 re-issued gaming license, the Board determines that it is in
17 the best interest of the people of the State of Illinois for
18 the the highest prospective total revenue to the State would be
19 derived from State to conduct gambling operations ~~conduct of~~
20 ~~the gambling operation~~ in lieu of issuing or re-issuing the
21 gaming license, the Board shall inform each applicant of its
22 decision. The Board shall thereafter have the authority,
23 without obtaining a gaming ~~an owners~~ license, to conduct
24 ~~riverboat~~ gambling operations as previously authorized by the
25 new, terminated, expired, revoked, or nonrenewed license

1 through a licensed manager selected pursuant to an open and
2 competitive bidding process as set forth in Section 7.5 and as
3 provided in Section 7.4.

4 (b) The Board may locate any riverboat on which a gambling
5 operation is conducted by the State in any home dock location
6 authorized by Section 3(c) upon receipt of approval from a
7 majority vote of the governing body of the municipality or
8 county, as the case may be, in which the riverboat will dock.

9 (c) The Board shall have jurisdiction over and shall
10 supervise all gambling operations conducted by the State
11 provided for in this Act and shall have all powers necessary
12 and proper to fully and effectively execute the provisions of
13 this Act relating to gambling operations conducted by the
14 State.

15 (d) The maximum number of owners licenses authorized under
16 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
17 which the Board authorizes the State to conduct a riverboat
18 gambling operation under subsection (a) in lieu of issuing or
19 re-issuing a license to an applicant ~~under Section 7.1.~~

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

21 (230 ILCS 10/7.7 new)

22 Sec. 7.7. Electronic gaming.

23 (a) The General Assembly finds that the horse racing and
24 riverboat gambling industries share many similarities and
25 collectively comprise the bulk of the State's gaming industry.

1 One feature in common to both industries is that each is highly
2 regulated by the State of Illinois.

3 The General Assembly further finds, however, that despite
4 their shared features each industry is distinct from the other
5 in that horse racing is and continues to be intimately tied to
6 Illinois' agricultural economy and is, at its core, a spectator
7 sport. This distinction requires the General Assembly to
8 utilize different methods to regulate and promote the horse
9 racing industry throughout the State.

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

17 The General Assembly finds, however, that even though the
18 authority to conduct electronic gaming is a uniform means to
19 improve live horse racing in this State, electronic gaming must
20 be regulated and implemented differently in southern Illinois
21 versus the Chicago area. The General Assembly finds that
22 Fairmount Park is the only race track operating on a year-round
23 basis that offers live racing and for that matter only conducts
24 live thoroughbred racing. The General Assembly finds that the
25 current state of affairs deprives spectators and standardbred
26 horsemen residing in southern Illinois of the opportunity to

1 participate in live standardbred racing in a manner similar to
2 spectators, thoroughbred horsemen, and standardbred horsemen
3 residing in the Chicago area. The General Assembly declares
4 that southern Illinois spectators and standardbred horsemen
5 are entitled to have a similar opportunity to participate in
6 live standardbred racing as spectators in the Chicago area. The
7 General Assembly declares that in order to remove this
8 disparity between southern Illinois and the Chicago area, it is
9 necessary for the State to mandate standardbred racing
10 throughout the State by tying the authorization to conduct
11 electronic gaming to a commitment to conduct at least 25 days
12 of standardbred racing in any county in which an organization
13 licensee is operating.

14 (b) The Board shall award one electronic gaming license to
15 each organization licensee under the Illinois Horse Racing Act
16 of 1975, subject to application and eligibility requirements of
17 this Act, including the payment of all applicable fees.

18 (c) As soon as practical after the effective date of this
19 amendatory Act of the 96th General Assembly, the Board may
20 authorize up to 8,000 aggregate electronic gambling positions
21 statewide as provided in this Section. The authority to operate
22 positions under this Section shall be allocated as follows:

23 (1) The organization licensee operating at Arlington
24 Park Race Course may operate up to 2,000 gaming positions
25 at a time;

26 (2) The organization licensee operating at Hawthorne

1 Race Course may operate up to 2,000 gaming positions at a
2 time;

3 (3) The organization licensee operating at Balmoral
4 Park may operate up to 1,000 gaming positions at a time;

5 (4) The organization licensee operating at Maywood
6 Park may operate up to 2,000 gaming positions at a time;
7 and

8 (5) The organization licensee operating at Fairmount
9 Park may operate up to 1,000 gaming positions at a time.

10 (d) Any positions that are not obtained by an organization
11 licensee shall be retained by the Gaming Board and shall be
12 offered in equal amounts to organization licensees who have
13 purchased all of the positions that were offered. This process
14 shall continue until all positions have been purchased. All
15 positions obtained pursuant to this process must be in
16 operation within 18 months after they were obtained or the
17 organization licensee forfeits the right to operate all of the
18 positions, but is not entitled to a refund of any fees paid.
19 The Board may, after holding a public hearing, grant extensions
20 so long as an organization licensee is working in good faith to
21 begin conducting electronic gaming. The extension may be for a
22 period of 6 months. If, after the period of the extension, a
23 licensee has not begun to conduct electronic gaming, another
24 public hearing must be held by the Board before it may grant
25 another extension.

26 (e) In the event that any positions remain unpurchased,

1 those positions shall first be made available in equal amounts
2 to owners licensees conducting gambling operations on the
3 effective date of this amendatory Act of the 96th General
4 Assembly under subsection (h-2) of Section 7, subject to the
5 payment of all applicable fees. In the event the positions
6 remain unpurchased after being offered to owners licensees
7 conducting gambling operations on the effective date of this
8 amendatory Act of the 96th General Assembly, those positions
9 shall be held by the Board for any owners licensee that was not
10 conducting gambling operations on the effective date of this
11 amendatory Act.

12 (f) The Gaming Board shall determine hours of operation for
13 electronic gaming facilities by rule.

14 (g) To be eligible to conduct electronic gaming, an
15 organization licensee must (i) obtain an electronic gaming
16 license, (ii) hold an organization license under the Illinois
17 Horse Racing Act of 1975, (iii) hold an inter-track wagering
18 license, (iv) pay an initial fee of (A) for organization
19 licensees with race tracks located in Cook County, \$20,000,000,
20 and (B) for organization licensees with race tracks located
21 outside Cook county, \$10,000,000, plus make the reconciliation
22 payment required under subsection (i), (v) meet the live racing
23 requirements set forth in Section 20 of the Illinois Horse
24 Racing Act of 1975, and (vi) meet all other requirements of
25 this Act that apply to owners licensees. The \$50,000 fee per
26 position is payable in full at the time the positions are

1 awarded.

2 (h) Each organization licensee who obtains electronic
3 gaming positions must make a reconciliation payment 4 years
4 after the date the electronic gaming licensee begins operating
5 the positions in an amount equal to 50% of the net adjusted
6 gross receipts from electronic gaming for the most lucrative
7 12-month period of operations, minus an amount equal to \$50,000
8 per electronic gaming position. If this calculation results in
9 a negative amount, then the electronic gaming licensee is not
10 entitled to any reimbursement of fees previously paid. This
11 reconciliation payment may be made in installments over a
12 period of no more than 20 years, subject to Board approval. For
13 the purpose of this subsection (h), "net adjusted gross
14 receipts" has the same meaning as that term is given in
15 subsection (a-5) of Section 13.

16 (i) For each calendar year after 2009 in which an
17 electronic gaming licensee requests a number of racing days
18 under its organization license that is less than 90% of the
19 number of days of live racing it was awarded in 2009, the
20 electronic gaming licensee may not conduct electronic gaming.

21 (j) In any calendar year that an organization licensee with
22 an electronic gaming license conducts fewer races than they
23 were awarded in that calendar year, except for the reasons
24 specified in subsection (e-3) of Section 20 of the Illinois
25 Horse Racing Act of 1975, the revenues retained by the
26 electronic gaming licensee from electronic gaming on the days

1 when racing was awarded and did not occur will be split evenly
2 between that organization licensee's purse account and the
3 Racing Industry Worker's Trust Fund.

4 (k) Subject to the approval of the Illinois Gaming Board
5 and the Illinois Racing Board, an electronic gaming licensee
6 may make any temporary or permanent modification or additions
7 to any existing or new buildings and structures. No
8 modifications or additions shall alter the grounds of the
9 organization licensee such that the act of live racing is an
10 ancillary activity to electronic gaming.

11 Electronic gaming may take place in existing structures
12 where inter-track wagering is conducted at the race track or a
13 facility within 300 yards of the race track in accordance with
14 the provisions of this Act and the Illinois Horse Racing Act of
15 1975. Any electronic gaming conducted at a facility within 300
16 yards of the race track in accordance with this Act and the
17 Illinois Horse Racing Act of 1975 shall have an all-weather
18 egress connecting the electronic gaming facility and the race
19 track facility.

20 The electronic gambling facility must be distinctly
21 separate from the other areas of the racetrack to prohibit the
22 entrance of persons under 21 years of age and for the purpose
23 of tracking admissions to the electronic gambling facility to
24 comply with the admissions taxes under the Illinois Horse
25 Racing Act of 1975 and this Act.

26 (l) An electronic gaming licensee may conduct electronic

1 gaming at a temporary facility pending the construction of a
2 permanent facility or the remodeling of an existing facility to
3 accommodate electronic gaming participants for up to 12 months
4 after receiving an electronic gaming license. The Board may
5 grant extensions as provided in subsection (d) of this Section.

6 (m) The Illinois Gaming Board may adopt emergency rules in
7 accordance with Section 5-45 of the Illinois Administrative
8 Procedure Act as necessary to ensure compliance with the
9 provisions of this amendatory Act of the 96th General Assembly
10 concerning electronic gaming. The adoption of emergency rules
11 authorized by this subsection (m) shall be deemed to be
12 necessary for the public interest, safety, and welfare.

13 (n) As soon as practical after a request is made by the
14 Illinois Gaming Board, to minimize duplicate submissions by the
15 applicant, the Illinois Racing Board must provide information
16 on an applicant for an electronic gaming license to the
17 Illinois Gaming Board.

18 (o) In addition to any other revocation powers granted to
19 the Board under this Act, the Board may revoke the electronic
20 gaming license of a licensee that fails to begin conducting
21 gambling within 12 months after receipt of the Board's approval
22 of the application if the Board determines that license
23 revocation is in the best interests of the State. The Board may
24 grant extensions as provided in subsection (d) of this Section.

25 (p) The electronic gaming licenses issued under this Act
26 shall permit the holder to own the licensed facility and

1 equipment for a period of 3 years after the effective date of
2 the license. Holders of electronic gaming licenses must pay the
3 annual license fee for each of the 3 years during which they
4 are authorized to conduct gambling operations.

5 (q) Upon the termination, expiration, or revocation of each
6 electronic gaming license, all licenses are renewable for a
7 period of 4 years, unless the Board sets a shorter period, upon
8 payment of the fee and a determination by the Board that the
9 licensee continues to meet all of the requirements of this Act
10 and the Board's rules.

11 (230 ILCS 10/7.8 new)

12 Sec. 7.8. Home rule. The regulation and licensing of
13 electronic gaming and electronic gaming licensees are
14 exclusive powers and functions of the State. A home rule unit
15 may not regulate or license electronic gaming or electronic
16 gaming licensees. This Section is a denial and limitation of
17 home rule powers and functions under subsection (h) of Section
18 6 of Article VII of the Illinois Constitution.

19 (230 ILCS 10/7.10 new)

20 Sec. 7.10. Electronic poker.

21 (a) A gaming licensee may apply to the Board for
22 authorization to operate up to 100 electronic poker positions
23 at its licensed facility. The authorization that the Board
24 issues to the gaming licensee shall specify the number of

1 electronic poker positions the gaming licensee may operate,
2 which shall not be counted against the limit on the number of
3 gaming positions under this Act.

4 (b) The Board must adopt rules for the authorization and
5 administration of the conduct of electronic poker.

6 (230 ILCS 10/7.14 new)

7 Sec. 7.14. Obligations of licensure; licensure is a
8 privilege.

9 (a) All licensees under this Act have a continuing duty to
10 maintain suitability for licensure. A license does not create a
11 property right, but is a revocable privilege granted by the
12 State contingent upon continuing suitability for licensure.

13 (b) Licensees under this Act shall have a continuing,
14 affirmative duty to investigate the backgrounds of its
15 principal shareholders and officers.

16 (c) An applicant for licensure under this Act is seeking a
17 privilege and assumes and accepts any and all risk of adverse
18 publicity, notoriety, embarrassment, criticism, or other
19 action or financial loss which may occur in connection with the
20 application process. Any misrepresentation or omission made
21 with respect to an application may be grounds for denial of the
22 application.

23 (230 ILCS 10/7.25 new)

24 Sec. 7.25. Diversity program.

1 (a) Each gaming licensee and suppliers licensee shall
2 establish and maintain a diversity program to ensure
3 non-discrimination in the award and administration of
4 contracts. The programs shall establish goals of awarding not
5 less than 25% of the annual dollar value of all contracts,
6 purchase orders, or other agreements to minority owned
7 businesses and 5% of the annual dollar value of all contracts
8 to female owned businesses.

9 (b) Each gaming licensee shall establish and maintain a
10 diversity program designed to promote equal opportunity for
11 employment. The program shall establish hiring goals as the
12 Board and each licensee determines appropriate. The Board shall
13 monitor the progress of the gaming licensees' progress with
14 respect to the program's goals.

15 (c) No later than May 31st of each year each licensee shall
16 report to the Board the number of respective employees and the
17 number of their respective employees who have designated
18 themselves as members of a minority group and gender. In
19 addition, all licensees shall submit a report with respect to
20 the minority owned and female owned businesses program created
21 in this Section to the Board.

22 (d) There is created the Diversity Program Commission. The
23 Commission shall consist of 2 members appointed by the
24 Governor, 2 members appointed by the President of the Senate, 2
25 members appointed by the Minority Leader of the Senate, 2
26 members appointed by the Speaker of the House of

1 Representatives, and 2 members appointed by the Minority leader
2 of the House of Representatives. Within 2 years after the
3 members of the Commission are appointed, the Commission shall
4 file a report with the Illinois Gaming Board, the General
5 Assembly, and the Governor regarding the status of minority and
6 female participation in gaming investment opportunities. The
7 report shall focus on all of the following topics:

8 (1) The percentage of minorities and females that
9 currently reside in Illinois.

10 (2) The history of discrimination against minorities
11 and females within the gaming industry in Illinois.

12 (3) The availability of ready, willing, and able
13 minorities and females in Illinois to invest in gaming
14 operations within the State.

15 (4) The current amount of gaming investment throughout
16 Illinois by minorities and females.

17 (5) The need throughout the State to remedy past
18 discrimination practices regarding investment
19 opportunities for these groups.

20 (6) Other facts and statistical data to support the
21 need for remedial measures as a result of historical
22 exclusion of these groups within the gaming industry.

23 (230 ILCS 10/8) (from Ch. 120, par. 2408)

24 Sec. 8. Suppliers licenses.

25 (a) The Board may issue a suppliers license to such

1 persons, firms or corporations which apply therefor upon the
2 payment of a non-refundable application fee set by the Board,
3 upon a determination by the Board that the applicant is
4 eligible for a suppliers license and upon payment of a \$5,000
5 annual license fee.

6 (b) The holder of a suppliers license is authorized to sell
7 or lease, and to contract to sell or lease, gambling equipment
8 and supplies to any licensee involved in the ownership or
9 management of gambling operations.

10 (c) Gambling supplies and equipment may not be distributed
11 unless supplies and equipment conform to standards adopted by
12 rules of the Board.

13 (d) A person, firm or corporation is ineligible to receive
14 a suppliers license if:

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

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

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

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

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

26 (6) the firm or corporation employs a person who

1 participates in the management or operation of riverboat
2 gambling authorized under this Act;

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

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

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

3 (g) Any gambling equipment, devices and supplies provided
4 by any licensed supplier may either be repaired at the licensed
5 facility ~~on the riverboat~~ or removed from the licensed facility
6 ~~riverboat~~ to a ~~an on shore~~ facility owned by gaming licensee
7 ~~the holder of an owners license~~ for repair.

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

9 (230 ILCS 10/9) (from Ch. 120, par. 2409)

10 Sec. 9. Occupational licenses.

11 (a) The Board may issue an occupational license to an
12 applicant upon the payment of a non-refundable fee set by the
13 Board, upon a determination by the Board that the applicant is
14 eligible for an occupational license and upon payment of an
15 annual license fee in an amount to be established. To be
16 eligible for an occupational license, an applicant must:

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

21 (2) not have been convicted of a felony offense, a
22 violation of Article 28 of the Criminal Code of 1961, or a
23 similar statute of any other jurisdiction, or a crime
24 involving dishonesty or moral turpitude;

25 (3) have demonstrated a level of skill or knowledge

1 which the Board determines to be necessary in order to
2 operate gambling at a licensed facility ~~aboard a riverboat~~;
3 and

4 (4) have met standards for the holding of an
5 occupational license as adopted by rules of the Board. Such
6 rules shall provide that any person or entity seeking an
7 occupational license to manage gambling operations
8 hereunder shall be subject to background inquiries and
9 further requirements similar to those required of
10 applicants for an owners license. Furthermore, such rules
11 shall provide that each such entity shall be permitted to
12 manage gambling operations for only one licensed owner.

13 (b) Each application for an occupational license shall be
14 on forms prescribed by the Board and shall contain all
15 information required by the Board. The applicant shall set
16 forth in the application: whether he has been issued prior
17 gambling related licenses; whether he has been licensed in any
18 other state under any other name, and, if so, such name and his
19 age; and whether or not a permit or license issued to him in
20 any other state has been suspended, restricted or revoked, and,
21 if so, for what period of time.

22 (c) Each applicant shall submit with his application, on
23 forms provided by the Board, 2 sets of his fingerprints. The
24 Board shall charge each applicant a fee set by the Department
25 of State Police to defray the costs associated with the search
26 and classification of fingerprints obtained by the Board with

1 respect to the applicant's application. These fees shall be
2 paid into the State Police Services Fund.

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

11 (e) The Board may suspend, revoke or restrict any
12 occupational licensee: (1) for violation of any provision of
13 this Act; (2) for violation of any of the rules and regulations
14 of the Board; (3) for any cause which, if known to the Board,
15 would have disqualified the applicant from receiving such
16 license; or (4) for default in the payment of any obligation or
17 debt due to the State of Illinois; or (5) for any other just
18 cause.

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

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

23 (h) Nothing in this Act shall be interpreted to prohibit a
24 gaming licensee ~~licensed owner~~ from entering into an agreement
25 with a school approved under the Private Business and
26 Vocational Schools Act for the training of any occupational

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

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

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

9 (230 ILCS 10/9.3 new)

10 Sec. 9.3. License fees; deposit.

11 (a) The Board shall annually determine the annual cost of
12 maintaining control and regulatory activities contemplated by
13 this Act for each individual licensee. The Office of Gaming
14 Enforcement shall certify to the Board actual and prospective
15 costs of the investigative and enforcement functions of the
16 Office. These costs, together with the general operating
17 expenses of the Board, shall be the basis for the fee imposed
18 on each licensee. Each individual licensee's fees shall be
19 based upon disproportionate costs for each individual
20 licensee.

21 (b) Upon issuance or the first renewal of a gaming license
22 after the effective date of this amendatory Act of the 96th
23 General Assembly, a gaming licensee shall deposit \$100,000 into
24 a fund held by the Director of the Office of Gaming Enforcement
25 separate from State moneys. The moneys in the fund shall be

1 used by the Director of the Office of Gaming Enforcement for
2 the purpose of conducting any investigation concerning that
3 licensee. Upon each subsequent renewal of a gaming license, the
4 gaming licensee shall deposit the amount necessary to bring the
5 moneys in the fund attributable to that licensee to \$100,000.

6 (230 ILCS 10/9.5 new)

7 Sec. 9.5. Contractor disclosure of political
8 contributions.

9 (a) As used in this Section:

10 "Contracts" means any agreement for services or goods for a
11 period to exceed one year or with an annual value of at least
12 \$10,000.

13 "Contribution" means contribution as defined in this act.

14 "Affiliated person" means (i) any person with any ownership
15 interest or distributive share of the bidding or contracting
16 entity in excess of 1%, (ii) executive employees of the bidding
17 or contracting entity, and (iii) the spouse and minor children
18 of any such persons.

19 "Affiliated entity" means (i) any parent or subsidiary of
20 the bidding or contracting entity, (ii) any member of the same
21 unitary business group, or (iii) any political committee for
22 which the bidding or contracting entity is the sponsoring
23 entity.

24 (b) A bidder, offeror, or contractor for contracts with a
25 licensee shall disclose all political contributions of the

1 bidder, offeror, or contractor and any affiliated person or
2 entity. Such disclosure must accompany any contract. The
3 disclosure must be submitted to the Board with a copy of the
4 contract prior to Board approval of the contract. The
5 disclosure of each successful bidder or offeror shall become
6 part of the publicly available record.

7 (c) Disclosure by the bidder, offeror, or contractor shall
8 include at least the names and addresses of the contributors
9 and the dollar amounts of any contributions to any political
10 committee made within the previous 2 years.

11 (d) The Board shall refuse to approve any contract that
12 does not include the required disclosure. The Board must
13 include the disclosure on their website.

14 (e) The Board may direct a licensee to void a contract if a
15 violation of this Section occurs.

16 (230 ILCS 10/11) (from Ch. 120, par. 2411)

17 Sec. 11. Conduct of gambling. Gambling may be conducted by
18 gaming licensees at licensed facilities or in a temporary
19 location as provided in this Act. Gambling authorized under
20 this Section shall be ~~licensed owners or licensed managers on~~
21 ~~behalf of the State aboard riverboats,~~ subject to the following
22 standards:

23 (1) An owners A licensee may conduct riverboat gambling
24 authorized under this Act regardless of whether it conducts
25 excursion cruises. A licensee may permit the continuous

1 ingress and egress of passengers for the purpose of
2 gambling.

3 (2) (Blank).

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

6 (4) Agents of the Office of Gaming Enforcement Board
7 ~~and the Department of State Police~~ may board and inspect
8 any licensed facility riverboat at any time for the purpose
9 of determining whether this Act is being complied with.
10 Every riverboat, if under way and being hailed by a law
11 enforcement officer or agent of the Board, must stop
12 immediately and lay to.

13 (5) Employees of the Board or Office of Gaming
14 Enforcement shall have the right to be present at the
15 licensed facility ~~on the riverboat~~ or on adjacent
16 facilities under the control of the gaming licensee.

17 (6) Gambling equipment and supplies customarily used
18 in the conduct of ~~conducting riverboat~~ gambling must be
19 purchased or leased only from suppliers licensed for such
20 purpose under this Act.

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

24 (8) Wagers may be received only from a person present
25 at a licensed facility ~~on a licensed riverboat~~. No person
26 present at a licensed facility ~~on a licensed riverboat~~

1 shall place or attempt to place a wager on behalf of
2 another person who is not present at the licensed facility
3 ~~on the riverboat.~~

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

6 (10) A person under age 21 shall not be permitted on an
7 area of a licensed facility ~~riverboat~~ where gambling is
8 being conducted, except for a person at least 18 years of
9 age who is an employee of the ~~riverboat~~ gambling operation.
10 No employee under age 21 shall perform any function
11 involved in gambling by the patrons. No person under age 21
12 shall be permitted to make a wager under this Act.

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

20 (12) All tokens, chips, or electronic cards used to
21 make wagers must be purchased (i) from an owners licensee ~~a~~
22 ~~licensed owner~~ or manager, in the case of a riverboat,
23 either aboard the ~~a~~ riverboat or at an onshore facility
24 which has been approved by the Board and which is located
25 where the riverboat docks or (ii) from an electronic gaming
26 licensee at the electronic gaming facility. The tokens,

1 chips or electronic cards may be purchased by means of an
2 agreement under which the owner or manager extends credit
3 to the patron. Such tokens, chips or electronic cards may
4 be used while at the licensed facility ~~aboard the riverboat~~
5 only for the purpose of making wagers on gambling games and
6 electronic poker.

7 (13) Notwithstanding any other Section of this Act, in
8 addition to the other licenses authorized under this Act,
9 the Board may issue special event licenses allowing persons
10 who are not otherwise licensed to conduct riverboat
11 gambling to conduct such gambling on a specified date or
12 series of dates. Riverboat gambling under such a license
13 may take place on a riverboat not normally used for
14 riverboat gambling. The Board shall establish standards,
15 fees and fines for, and limitations upon, such licenses,
16 which may differ from the standards, fees, fines and
17 limitations otherwise applicable under this Act. All such
18 fees shall be deposited into the State Gaming Fund. All
19 such fines shall be deposited into the Education Assistance
20 Fund, created by Public Act 86-0018, of the State of
21 Illinois.

22 (14) In addition to the above, gambling must be
23 conducted in accordance with all rules adopted by the
24 Board.

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

1 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

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

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

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

13 Sec. 12. Admission tax; fees.

14 (a) A tax is hereby imposed upon admissions to licensed
15 facilities ~~riverboats~~ operated by gaming licensees ~~licensed~~
16 ~~owners~~ authorized pursuant to this Act. Until July 1, 2002, the
17 rate is \$2 per person admitted. From July 1, 2002 until July 1,
18 2003, the rate is \$3 per person admitted. From July 1, 2003
19 until August 23, 2005 (the effective date of Public Act 94-673)
20 ~~this amendatory Act of the 94th General Assembly~~, for a
21 licensee that admitted 1,000,000 persons or fewer in the
22 previous calendar year, the rate is \$3 per person admitted; for
23 a licensee that admitted more than 1,000,000 but no more than
24 2,300,000 persons in the previous calendar year, the rate is \$4
25 per person admitted; and for a licensee that admitted more than

1 2,300,000 persons in the previous calendar year, the rate is \$5
2 per person admitted. From August 23, 2005 (the effective date
3 of Public Act 94-673) until the effective date of this
4 amendatory Act of the 96th General Assembly ~~Beginning on the~~
5 ~~effective date of this amendatory Act of the 94th General~~
6 ~~Assembly,~~ for a licensee that admitted 1,000,000 persons or
7 fewer in calendar year 2004, the rate is \$2 per person
8 admitted, and for all other licensees the rate is \$3 per person
9 admitted. Beginning on the effective date of this amendatory
10 Act of the 96th General Assembly, for an owners licensee that
11 was conducting riverboat gambling in calendar year 2004 and
12 that admitted 1,000,000 persons or fewer in calendar year 2004,
13 the rate is \$2 per person admitted, and for all other gaming
14 licensees the rate is \$3 per person admitted. This admission
15 tax is imposed upon the licensed owner conducting gambling.

16 (1) The admission tax shall be paid for each admission,
17 except that a person who exits a ~~riverboat~~ gambling
18 facility and reenters that ~~riverboat~~ gambling facility
19 within the same gaming day shall be subject only to the
20 initial admission tax.

21 (2) (Blank).

22 (3) The gaming ~~riverboat~~ licensee may issue tax-free
23 passes to actual and necessary officials and employees of
24 the licensee or other persons actually working at the
25 licensed facility ~~on the riverboat~~.

26 (4) The number and issuance of tax-free passes is

1 subject to the rules of the Board, and a list of all
2 persons to whom the tax-free passes are issued shall be
3 filed with the Board.

4 (a-5) A fee is hereby imposed upon admissions operated by
5 licensed managers on behalf of the State pursuant to Section
6 7.3 at the rates provided in this subsection (a-5). Until the
7 effective date of this amendatory Act of the 96th General
8 Assembly, for ~~For~~ a licensee that admitted 1,000,000 persons or
9 fewer in the previous calendar year, the rate is \$3 per person
10 admitted; for a licensee that admitted more than 1,000,000 but
11 no more than 2,300,000 persons in the previous calendar year,
12 the rate is \$4 per person admitted; and for a licensee that
13 admitted more than 2,300,000 persons in the previous calendar
14 year, the rate is \$5 per person admitted. Beginning on the
15 effective date of this amendatory Act of the 96th General
16 Assembly, the rate is \$3 per person admitted to a facility
17 operated by a licensed manager on behalf of the State.

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

19 (2) (Blank).

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

23 (4) The number and issuance of fee-free passes is
24 subject to the rules of the Board, and a list of all
25 persons to whom the fee-free passes are issued shall be
26 filed with the Board.

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

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

21 (d) The Board shall administer and collect the admission
22 tax imposed by this Section, to the extent practicable, in a
23 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
24 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
25 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
26 Penalty and Interest Act.

1 (Source: P.A. 94-673, eff. 8-23-05; 95-663, eff. 10-11-07.)

2 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

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

14 20% of annual adjusted gross receipts in excess of
15 \$25,000,000 but not exceeding \$50,000,000;

16 25% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 30% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 35% of annual adjusted gross receipts in excess of
21 \$100,000,000.

22 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
23 is imposed on persons engaged in the business of conducting
24 riverboat gambling operations, other than licensed managers
25 conducting riverboat gambling operations on behalf of the

1 State, based on the adjusted gross receipts received by a
2 licensed owner from gambling games authorized under this Act at
3 the following rates:

4 15% of annual adjusted gross receipts up to and
5 including \$25,000,000;

6 22.5% of annual adjusted gross receipts in excess of
7 \$25,000,000 but not exceeding \$50,000,000;

8 27.5% of annual adjusted gross receipts in excess of
9 \$50,000,000 but not exceeding \$75,000,000;

10 32.5% of annual adjusted gross receipts in excess of
11 \$75,000,000 but not exceeding \$100,000,000;

12 37.5% of annual adjusted gross receipts in excess of
13 \$100,000,000 but not exceeding \$150,000,000;

14 45% of annual adjusted gross receipts in excess of
15 \$150,000,000 but not exceeding \$200,000,000;

16 50% of annual adjusted gross receipts in excess of
17 \$200,000,000.

18 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
19 persons engaged in the business of conducting riverboat
20 gambling operations, other than licensed managers conducting
21 riverboat gambling operations on behalf of the State, based on
22 the adjusted gross receipts received by a licensed owner from
23 gambling games authorized under this Act at the following
24 rates:

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

1 27.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$37,500,000;

3 32.5% of annual adjusted gross receipts in excess of
4 \$37,500,000 but not exceeding \$50,000,000;

5 37.5% of annual adjusted gross receipts in excess of
6 \$50,000,000 but not exceeding \$75,000,000;

7 45% of annual adjusted gross receipts in excess of
8 \$75,000,000 but not exceeding \$100,000,000;

9 50% of annual adjusted gross receipts in excess of
10 \$100,000,000 but not exceeding \$250,000,000;

11 70% of annual adjusted gross receipts in excess of
12 \$250,000,000.

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

18 The privilege tax imposed under this subsection (a-3) shall
19 no longer be imposed beginning on the earlier of (i) July 1,
20 2005; (ii) the first date after June 20, 2003 that riverboat
21 gambling operations are conducted pursuant to a dormant
22 license; or (iii) the first day that riverboat gambling
23 operations are conducted under the authority of an owners
24 license that is in addition to the 10 owners licenses initially
25 authorized under this Act. For the purposes of this subsection
26 (a-3), the term "dormant license" means an owners license that

1 is authorized by this Act under which no riverboat gambling
2 operations are being conducted on June 20, 2003.

3 (a-4) Beginning on the first day on which the tax imposed
4 under subsection (a-3) is no longer imposed, a privilege tax is
5 imposed on persons engaged in the business of conducting
6 riverboat gambling operations, other than licensed managers
7 conducting riverboat gambling operations on behalf of the
8 State, based on the adjusted gross receipts received by a
9 licensed owner from gambling games and electronic poker
10 authorized under this Act at the following rates:

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

13 22.5% of annual adjusted gross receipts in excess of
14 \$25,000,000 but not exceeding \$50,000,000;

15 27.5% of annual adjusted gross receipts in excess of
16 \$50,000,000 but not exceeding \$75,000,000;

17 32.5% of annual adjusted gross receipts in excess of
18 \$75,000,000 but not exceeding \$100,000,000;

19 37.5% of annual adjusted gross receipts in excess of
20 \$100,000,000 but not exceeding \$150,000,000;

21 45% of annual adjusted gross receipts in excess of
22 \$150,000,000 but not exceeding \$200,000,000;

23 50% of annual adjusted gross receipts in excess of
24 \$200,000,000.

25 (a-5) Beginning on the effective date of this amendatory
26 Act of the 96th General Assembly, a privilege tax is imposed on

1 persons conducting electronic gaming based on the net adjusted
2 gross receipts received by an electronic gaming licensee from
3 electronic gaming and electronic poker at the following rates:

4 15% of annual net adjusted gross receipts up to and
5 including \$25,000,000;

6 22.5% of annual net adjusted gross receipts in excess
7 of \$25,000,000 but not exceeding \$50,000,000;

8 27.5% of annual net adjusted gross receipts in excess
9 of \$50,000,000 but not exceeding \$75,000,000;

10 32.5% of annual net adjusted gross receipts in excess
11 of \$75,000,000 but not exceeding \$100,000,000;

12 37.5% of annual net adjusted gross receipts in excess
13 of \$100,000,000 but not exceeding \$150,000,000;

14 45% of annual net adjusted gross receipts in excess of
15 \$150,000,000 but not exceeding \$200,000,000;

16 50% of annual net adjusted gross receipts in excess of
17 \$200,000,000.

18 As used in this Section, "net adjusted gross receipts"
19 means total adjusted gross receipts minus purse account
20 distributions made pursuant to subsection (a-5) of Section 56
21 of the Illinois Horse Racing Act of 1975.

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

25 (a-10) The taxes imposed by this Section shall be paid by
26 the gaming licensee ~~licensed owner~~ to the Board not later than

1 3:00 o'clock p.m. of the day after the day when the wagers were
2 made.

3 (a-15) If the privilege tax imposed under subsection (a-3)
4 is no longer imposed pursuant to item (i) of the last paragraph
5 of subsection (a-3), then by June 15 of each year, each owners
6 licensee, other than an owners licensee that admitted 1,000,000
7 persons or fewer in calendar year 2004, must, in addition to
8 the payment of all amounts otherwise due under this Section,
9 pay to the Board a reconciliation payment in the amount, if
10 any, by which the licensed owner's base amount exceeds the
11 amount of net privilege tax paid by the licensed owner to the
12 Board in the then current State fiscal year. A licensed owner's
13 net privilege tax obligation due for the balance of the State
14 fiscal year shall be reduced up to the total of the amount paid
15 by the licensed owner in its June 15 reconciliation payment.
16 The obligation imposed by this subsection (a-15) is binding on
17 any person, firm, corporation, or other entity that acquires an
18 ownership interest in any such owners license. The obligation
19 imposed under this subsection (a-15) terminates on the earliest
20 of: (i) July 1, 2007, (ii) the first day after the effective
21 date of this amendatory Act of the 94th General Assembly that
22 riverboat gambling operations are conducted pursuant to a
23 dormant license, (iii) the first day that riverboat gambling
24 operations are conducted under the authority of an owners
25 license that is in addition to the 10 owners licenses initially
26 authorized under this Act, or (iv) the first day that a

1 licensee under the Illinois Horse Racing Act of 1975 conducts
2 gaming operations with slot machines or other electronic gaming
3 devices. The Board must reduce the obligation imposed under
4 this subsection (a-15) by an amount the Board deems reasonable
5 for any of the following reasons: (A) an act or acts of God,
6 (B) an act of bioterrorism or terrorism or a bioterrorism or
7 terrorism threat that was investigated by a law enforcement
8 agency, or (C) a condition beyond the control of the owners
9 licensee that does not result from any act or omission by the
10 owners licensee or any of its agents and that poses a hazardous
11 threat to the health and safety of patrons. If an owners
12 licensee pays an amount in excess of its liability under this
13 Section, the Board shall apply the overpayment to future
14 payments required under this Section.

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

16 "Act of God" means an incident caused by the operation of
17 an extraordinary force that cannot be foreseen, that cannot be
18 avoided by the exercise of due care, and for which no person
19 can be held liable.

20 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

9 The changes made to this subsection (a-15) by Public Act
10 94-839 are intended to restate and clarify the intent of Public
11 Act 94-673 with respect to the amount of the payments required
12 to be made under this subsection by an owners licensee to the
13 Board.

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

24 Beginning on the effective date of this amendatory Act of
25 the 96th General Assembly, from the tax revenue deposited in
26 the State Gaming Fund under this Section, an amount equal to

1 (i) 2% of net adjusted gross receipts generated by an
2 electronic gaming facility located outside Madison County
3 shall be paid monthly, subject to appropriation by the General
4 Assembly, to the riverboat or the municipality in which an
5 electronic gaming facility is located and (ii) 3% of net
6 adjusted gross receipts generated by an electronic gaming
7 facility located outside Madison County shall be paid monthly,
8 subject to appropriation by the General Assembly, to the county
9 in which the electronic gaming facility is located for the
10 purposes of its criminal justice system or health care system.
11 In the case of an electronic gaming facility that is not
12 located in a municipality on the effective date of this
13 amendatory Act of the 96th General Assembly, the amounts
14 distributed under this subsection (b) shall be distributed
15 wholly to the county.

16 Beginning on the effective date of this amendatory Act of
17 the 96th General Assembly, from the tax revenue deposited in
18 the State Gaming Fund under this Section, an amount equal to
19 (i) 2% of net adjusted gross receipts generated by an
20 electronic gaming facility located in Madison County shall be
21 paid monthly, subject to appropriation by the General Assembly,
22 to the unit of local government in which the electronic gaming
23 facility is located, (ii) 1.5% of net adjusted gross receipts
24 generated by an electronic gaming facility located in Madison
25 County shall be paid monthly, subject to appropriation by the
26 General Assembly, to Madison County for the purposes of its

1 criminal justice or health care systems, and (iii) 1.5% of net
2 adjusted gross receipts generated by an electronic gaming
3 facility located in Madison County shall be paid monthly,
4 subject to appropriation by the General Assembly, to St. Clair
5 County for the purposes of its criminal justice or health care
6 systems.

7 From the tax revenue deposited in the State Gaming Fund
8 pursuant to riverboat gambling operations conducted by a
9 licensed manager on behalf of the State, an amount equal to 5%
10 of adjusted gross receipts generated pursuant to those
11 riverboat gambling operations shall be paid monthly, subject to
12 appropriation by the General Assembly, to the unit of local
13 government that is designated as the home dock of the riverboat
14 upon which those riverboat gambling operations are conducted.

15 (c) (Blank). ~~Appropriations, as approved by the General~~
16 ~~Assembly, may be made from the State Gaming Fund to the~~
17 ~~Department of Revenue and the Department of State Police for~~
18 ~~the administration and enforcement of this Act, or to the~~
19 ~~Department of Human Services for the administration of programs~~
20 ~~to treat problem gambling.~~

21 (c-5) (Blank). ~~Before May 26, 2006 (the effective date of~~
22 ~~Public Act 94-804) and beginning on the effective date of this~~
23 ~~amendatory Act of the 95th General Assembly, unless any~~
24 ~~organization licensee under the Illinois Horse Racing Act of~~
25 ~~1975 begins to operate a slot machine or video game of chance~~
26 ~~under the Illinois Horse Racing Act of 1975 or this Act, after~~

1 ~~the payments required under subsections (b) and (c) have been~~
2 ~~made, an amount equal to 15% of the adjusted gross receipts of~~
3 ~~(1) an owners licensee that relocates pursuant to Section 11.2,~~
4 ~~(2) an owners licensee conducting riverboat gambling~~
5 ~~operations pursuant to an owners license that is initially~~
6 ~~issued after June 25, 1999, or (3) the first riverboat gambling~~
7 ~~operations conducted by a licensed manager on behalf of the~~
8 ~~State under Section 7.3, whichever comes first, shall be paid~~
9 ~~from the State Gaming Fund into the Horse Racing Equity Fund.~~

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

15 (c-15) (Blank). ~~After the payments required under~~
16 ~~subsections (b), (c), and (c-5) have been made, an amount equal~~
17 ~~to 2% of the adjusted gross receipts of (1) an owners licensee~~
18 ~~that relocates pursuant to Section 11.2, (2) an owners licensee~~
19 ~~conducting riverboat gambling operations pursuant to an owners~~
20 ~~license that is initially issued after June 25, 1999, or (3)~~
21 ~~the first riverboat gambling operations conducted by a licensed~~
22 ~~manager on behalf of the State under Section 7.3, whichever~~
23 ~~comes first, shall be paid, subject to appropriation from the~~
24 ~~General Assembly, from the State Gaming Fund to each home rule~~
25 ~~county with a population of over 3,000,000 inhabitants for the~~
26 ~~purpose of enhancing the county's criminal justice system.~~

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

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

16 (d) From time to time, the Board shall transfer the
17 remainder of the funds generated by this Act into the Education
18 Assistance Fund, created by Public Act 86-0018, of the State of
19 Illinois.

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

25 (f) To the extent practicable, the Board shall administer
26 and collect the wagering taxes imposed by this Section in a

1 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
2 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
4 Penalty and Interest Act.

5 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
6 94-839, eff. 6-6-06; 95-331, eff. 8-21-07; 95-1008, eff.
7 12-15-08.)

8 (230 ILCS 10/14) (from Ch. 120, par. 2414)

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

10 (a) Gaming licensees ~~A Licensed owner~~ shall keep their ~~his~~
11 books and records so as to clearly show the following:

12 (1) The amount received daily from admission fees.

13 (2) The total amount of gross receipts.

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

15 (b) The gaming licensee ~~Licensed owner~~ shall furnish to the
16 Board reports and information as the Board may require with
17 respect to its activities on forms designed and supplied for
18 such purpose by the Board.

19 (c) The books and records kept by a gaming licensee
20 ~~licensed owner~~ as provided by this Section are public records
21 and the examination, publication, and dissemination of the
22 books and records are governed by the provisions of the ~~The~~
23 Freedom of Information Act.

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

1 (230 ILCS 10/17) (from Ch. 120, par. 2417)

2 Sec. 17. Administrative Procedures. The Illinois
3 Administrative Procedure Act shall apply to all administrative
4 rules and procedures of the Board and the Office of Gaming
5 Enforcement under this Act, except that: (1) subsection (b) of
6 Section 5-10 of the Illinois Administrative Procedure Act does
7 not apply to final orders, decisions and opinions of the Board;
8 (2) subsection (a) of Section 5-10 of the Illinois
9 Administrative Procedure Act does not apply to forms
10 established by the Board for use under this Act; (3) the
11 provisions of Section 10-45 of the Illinois Administrative
12 Procedure Act regarding proposals for decision are excluded
13 under this Act; and (4) the provisions of subsection (d) of
14 Section 10-65 of the Illinois Administrative Procedure Act do
15 not apply so as to prevent summary suspension of any license
16 pending revocation or other action, which suspension shall
17 remain in effect unless modified by the Board or unless the
18 Board's decision is reversed on the merits upon judicial
19 review.

20 (Source: P.A. 88-45; 89-626, eff. 8-9-96.)

21 (230 ILCS 10/18) (from Ch. 120, par. 2418)

22 Sec. 18. Prohibited Activities - Penalty.

23 (a) A person is guilty of a Class A misdemeanor for doing
24 any of the following:

25 (1) Conducting gambling where wagering is used or to be

1 used without a license issued by the Board.

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

4 (b) A person is guilty of a Class B misdemeanor for doing
5 any of the following:

6 (1) permitting a person under 21 years to make a wager;
7 or

8 (2) violating paragraph (12) of subsection (a) of
9 Section 11 of this Act.

10 (c) A person wagering or accepting a wager at any location
11 outside the licensed facility in violation of paragraph
12 ~~riverboat is subject to the penalties in paragraphs~~ (1) or (2)
13 of subsection (a) of Section 28-1 of the Criminal Code of 1961
14 is subject to the penalties provided in that Section.

15 (d) A person commits a Class 4 felony and, in addition,
16 shall be barred for life from gambling operations ~~riverboats~~
17 under the jurisdiction of the Board, if the person does any of
18 the following:

19 (1) Offers, promises, or gives anything of value or
20 benefit to a person who is connected with a gaming licensee
21 ~~riverboat owner~~ including, but not limited to, an officer
22 or employee of a gaming licensee ~~licensed owner~~ or holder
23 of an occupational license pursuant to an agreement or
24 arrangement or with the intent that the promise or thing of
25 value or benefit will influence the actions of the person
26 to whom the offer, promise, or gift was made in order to

1 affect or attempt to affect the outcome of a gambling game,
2 or to influence official action of a member of the Board.

3 (2) Solicits or knowingly accepts or receives a promise
4 of anything of value or benefit while the person is
5 connected with a gaming licensee ~~riverboat~~ including, but
6 not limited to, an officer or employee of a gaming licensee
7 ~~licensed owner~~, or the holder of an occupational license,
8 pursuant to an understanding or arrangement or with the
9 intent that the promise or thing of value or benefit will
10 influence the actions of the person to affect or attempt to
11 affect the outcome of a gambling game or electronic poker,
12 or to influence official action of a member of the Board.

13 (3) Uses or possesses with the intent to use a device
14 to assist:

15 (i) In projecting the outcome of the game.

16 (ii) In keeping track of the cards played.

17 (iii) In analyzing the probability of the
18 occurrence of an event relating to the gambling game or
19 electronic poker.

20 (iv) In analyzing the strategy for playing or
21 betting to be used in the game except as permitted by
22 the Board.

23 (4) Cheats at a gambling game or electronic poker.

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

1 (6) Alters or misrepresents the outcome of a gambling
2 game or electronic poker on which wagers have been made
3 after the outcome is made sure but before it is revealed to
4 the players.

5 (7) Places a bet after acquiring knowledge, not
6 available to all players, of the outcome of the gambling
7 game or electronic poker which is subject of the bet or to
8 aid a person in acquiring the knowledge for the purpose of
9 placing a bet contingent on that outcome.

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

17 (9) Uses counterfeit chips or tokens in a gambling game
18 or electronic poker.

19 (10) Possesses any key or device designed for the
20 purpose of opening, entering, or affecting the operation of
21 a gambling game or electronic poker, drop box, or an
22 electronic or mechanical device connected with the
23 gambling game or for removing coins, tokens, chips or other
24 contents of a gambling game or electronic poker. This
25 paragraph (10) does not apply to a gambling licensee or
26 employee of a gambling licensee acting in furtherance of

1 the employee's employment.

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

6 An action to prosecute any crime occurring on a riverboat
7 shall be tried in the county of the dock at which the riverboat
8 is based. An action to prosecute any crime occurring in an
9 electronic gaming facility shall be tried in the county in
10 which the electronic gaming facility is located.

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

12 (230 ILCS 10/19) (from Ch. 120, par. 2419)

13 Sec. 19. Forfeiture of property.

14 (a) Except as provided in subsection (b), any licensed
15 facility ~~riverboat~~ used for the conduct of gambling ~~games~~ in
16 violation of this Act shall be considered a gambling place in
17 violation of Section 28-3 of the Criminal Code of 1961, as now
18 or hereafter amended. Every gambling device found at a licensed
19 facility ~~on a riverboat~~ operating gambling ~~games~~ in violation
20 of this Act shall be subject to seizure, confiscation and
21 destruction as provided in Section 28-5 of the Criminal Code of
22 1961, as now or hereafter amended.

23 (b) It is not a violation of this Act for a riverboat or
24 other watercraft which is licensed for gaming by a contiguous
25 state to dock on the shores of this State if the municipality

1 having jurisdiction of the shores, or the county in the case of
2 unincorporated areas, has granted permission for docking and no
3 gaming is conducted on the riverboat or other watercraft while
4 it is docked on the shores of this State. No gambling device
5 shall be subject to seizure, confiscation or destruction if the
6 gambling device is located on a riverboat or other watercraft
7 which is licensed for gaming by a contiguous state and which is
8 docked on the shores of this State if the municipality having
9 jurisdiction of the shores, or the county in the case of
10 unincorporated areas, has granted permission for docking and no
11 gaming is conducted on the riverboat or other watercraft while
12 it is docked on the shores of this State.

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

14 (230 ILCS 10/20) (from Ch. 120, par. 2420)

15 Sec. 20. Prohibited activities - civil penalties. Any
16 person who conducts a gambling operation without first
17 obtaining a license to do so, or who continues to conduct such
18 games after revocation of his license, or any licensee who
19 conducts or allows to be conducted any unauthorized gambling at
20 a licensed facility ~~games on a riverboat~~ where it is authorized
21 to conduct its ~~riverboat~~ gambling operation, in addition to
22 other penalties provided, shall be subject to a civil penalty
23 equal to the amount of gross receipts derived from wagering on
24 the gambling activity ~~games~~, whether unauthorized or
25 authorized, conducted on that day as well as confiscation and

1 forfeiture of all gambling ~~game~~ equipment used in the conduct
2 of unauthorized gambling ~~games~~.

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

4 Section 70. The Liquor Control Act of 1934 is amended by
5 changing Sections 5-1 and 6-30 as follows:

6 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

7 Sec. 5-1. Licenses issued by the Illinois Liquor Control
8 Commission shall be of the following classes:

9 (a) Manufacturer's license - Class 1. Distiller, Class 2.
10 Rectifier, Class 3. Brewer, Class 4. First Class Wine
11 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
12 First Class Winemaker, Class 7. Second Class Winemaker, Class
13 8. Limited Wine Manufacturer,

14 (b) Distributor's license,

15 (c) Importing Distributor's license,

16 (d) Retailer's license,

17 (e) Special Event Retailer's license (not-for-profit),

18 (f) Railroad license,

19 (g) Boat license,

20 (h) Non-Beverage User's license,

21 (i) Wine-maker's premises license,

22 (j) Airplane license,

23 (k) Foreign importer's license,

24 (l) Broker's license,

- 1 (m) Non-resident dealer's license,
2 (n) Brew Pub license,
3 (o) Auction liquor license,
4 (p) Caterer retailer license,
5 (q) Special use permit license,
6 (r) Winery shipper's license.

7 No person, firm, partnership, corporation, or other legal
8 business entity that is engaged in the manufacturing of wine
9 may concurrently obtain and hold a wine-maker's license and a
10 wine manufacturer's license.

11 (a) A manufacturer's license shall allow the manufacture,
12 importation in bulk, storage, distribution and sale of
13 alcoholic liquor to persons without the State, as may be
14 permitted by law and to licensees in this State as follows:

15 Class 1. A Distiller may make sales and deliveries of
16 alcoholic liquor to distillers, rectifiers, importing
17 distributors, distributors and non-beverage users and to no
18 other licensees.

19 Class 2. A Rectifier, who is not a distiller, as defined
20 herein, may make sales and deliveries of alcoholic liquor to
21 rectifiers, importing distributors, distributors, retailers
22 and non-beverage users and to no other licensees.

23 Class 3. A Brewer may make sales and deliveries of beer to
24 importing distributors, distributors, and to non-licensees,
25 and to retailers provided the brewer obtains an importing
26 distributor's license or distributor's license in accordance

1 with the provisions of this Act.

2 Class 4. A first class wine-manufacturer may make sales and
3 deliveries of up to 50,000 gallons of wine to manufacturers,
4 importing distributors and distributors, and to no other
5 licensees.

6 Class 5. A second class Wine manufacturer may make sales
7 and deliveries of more than 50,000 gallons of wine to
8 manufacturers, importing distributors and distributors and to
9 no other licensees.

10 Class 6. A first-class wine-maker's license shall allow the
11 manufacture of up to 50,000 gallons of wine per year, and the
12 storage and sale of such wine to distributors in the State and
13 to persons without the State, as may be permitted by law. A
14 person who, prior to the effective date of this amendatory Act
15 of the 96th ~~95th~~ General Assembly, is a holder of a first-class
16 wine-maker's license and annually produces more than 25,000
17 gallons of its own wine and who distributes its wine to
18 licensed retailers shall cease this practice on or before July
19 1, 2008 in compliance with this amendatory Act of the 96th ~~95th~~
20 General Assembly.

21 Class 7. A second-class wine-maker's license shall allow
22 the manufacture of between 50,000 and 150,000 gallons of wine
23 per year, and the storage and sale of such wine to distributors
24 in this State and to persons without the State, as may be
25 permitted by law. A person who, prior to the effective date of
26 this amendatory Act of the 96th ~~95th~~ General Assembly, is a

1 holder of a second-class wine-maker's license and annually
2 produces more than 25,000 gallons of its own wine and who
3 distributes its wine to licensed retailers shall cease this
4 practice on or before July 1, 2008 in compliance with this
5 amendatory Act of the 96th ~~95th~~ General Assembly.

6 Class 8. A limited wine-manufacturer may make sales and
7 deliveries not to exceed 40,000 gallons of wine per year to
8 distributors, and to non-licensees in accordance with the
9 provisions of this Act.

10 (a-1) A manufacturer which is licensed in this State to
11 make sales or deliveries of alcoholic liquor and which enlists
12 agents, representatives, or individuals acting on its behalf
13 who contact licensed retailers on a regular and continual basis
14 in this State must register those agents, representatives, or
15 persons acting on its behalf with the State Commission.

16 Registration of agents, representatives, or persons acting
17 on behalf of a manufacturer is fulfilled by submitting a form
18 to the Commission. The form shall be developed by the
19 Commission and shall include the name and address of the
20 applicant, the name and address of the manufacturer he or she
21 represents, the territory or areas assigned to sell to or
22 discuss pricing terms of alcoholic liquor, and any other
23 questions deemed appropriate and necessary. All statements in
24 the forms required to be made by law or by rule shall be deemed
25 material, and any person who knowingly misstates any material
26 fact under oath in an application is guilty of a Class B

1 misdemeanor. Fraud, misrepresentation, false statements,
2 misleading statements, evasions, or suppression of material
3 facts in the securing of a registration are grounds for
4 suspension or revocation of the registration.

5 (b) A distributor's license shall allow the wholesale
6 purchase and storage of alcoholic liquors and sale of alcoholic
7 liquors to licensees in this State and to persons without the
8 State, as may be permitted by law.

9 (c) An importing distributor's license may be issued to and
10 held by those only who are duly licensed distributors, upon the
11 filing of an application by a duly licensed distributor, with
12 the Commission and the Commission shall, without the payment of
13 any fee, immediately issue such importing distributor's
14 license to the applicant, which shall allow the importation of
15 alcoholic liquor by the licensee into this State from any point
16 in the United States outside this State, and the purchase of
17 alcoholic liquor in barrels, casks or other bulk containers and
18 the bottling of such alcoholic liquors before resale thereof,
19 but all bottles or containers so filled shall be sealed,
20 labeled, stamped and otherwise made to comply with all
21 provisions, rules and regulations governing manufacturers in
22 the preparation and bottling of alcoholic liquors. The
23 importing distributor's license shall permit such licensee to
24 purchase alcoholic liquor from Illinois licensed non-resident
25 dealers and foreign importers only.

26 (d) A retailer's license shall allow the licensee to sell

1 and offer for sale at retail, only in the premises specified in
2 the license, alcoholic liquor for use or consumption, but not
3 for resale in any form. Nothing in this amendatory Act of the
4 96th ~~95th~~ General Assembly shall deny, limit, remove, or
5 restrict the ability of a holder of a retailer's license to
6 transfer, deliver, or ship alcoholic liquor to the purchaser
7 for use or consumption subject to any applicable local law or
8 ordinance. Any retail license issued to a manufacturer shall
9 only permit the manufacturer to sell beer at retail on the
10 premises actually occupied by the manufacturer. For the purpose
11 of further describing the type of business conducted at a
12 retail licensed premises, a retailer's licensee may be
13 designated by the State Commission as (i) an on premise
14 consumption retailer, (ii) an off premise sale retailer, or
15 (iii) a combined on premise consumption and off premise sale
16 retailer.

17 Notwithstanding any other provision of this subsection
18 (d), a retail licensee may sell alcoholic liquors to a special
19 event retailer licensee for resale to the extent permitted
20 under subsection (e).

21 (e) A special event retailer's license (not-for-profit)
22 shall permit the licensee to purchase alcoholic liquors from an
23 Illinois licensed distributor (unless the licensee purchases
24 less than \$500 of alcoholic liquors for the special event, in
25 which case the licensee may purchase the alcoholic liquors from
26 a licensed retailer) and shall allow the licensee to sell and

1 offer for sale, at retail, alcoholic liquors for use or
2 consumption, but not for resale in any form and only at the
3 location and on the specific dates designated for the special
4 event in the license. An applicant for a special event retailer
5 license must (i) furnish with the application: (A) a resale
6 number issued under Section 2c of the Retailers' Occupation Tax
7 Act or evidence that the applicant is registered under Section
8 2a of the Retailers' Occupation Tax Act, (B) a current, valid
9 exemption identification number issued under Section 1g of the
10 Retailers' Occupation Tax Act, and a certification to the
11 Commission that the purchase of alcoholic liquors will be a
12 tax-exempt purchase, or (C) a statement that the applicant is
13 not registered under Section 2a of the Retailers' Occupation
14 Tax Act, does not hold a resale number under Section 2c of the
15 Retailers' Occupation Tax Act, and does not hold an exemption
16 number under Section 1g of the Retailers' Occupation Tax Act,
17 in which event the Commission shall set forth on the special
18 event retailer's license a statement to that effect; (ii)
19 submit with the application proof satisfactory to the State
20 Commission that the applicant will provide dram shop liability
21 insurance in the maximum limits; and (iii) show proof
22 satisfactory to the State Commission that the applicant has
23 obtained local authority approval.

24 (f) A railroad license shall permit the licensee to import
25 alcoholic liquors into this State from any point in the United
26 States outside this State and to store such alcoholic liquors

1 in this State; to make wholesale purchases of alcoholic liquors
2 directly from manufacturers, foreign importers, distributors
3 and importing distributors from within or outside this State;
4 and to store such alcoholic liquors in this State; provided
5 that the above powers may be exercised only in connection with
6 the importation, purchase or storage of alcoholic liquors to be
7 sold or dispensed on a club, buffet, lounge or dining car
8 operated on an electric, gas or steam railway in this State;
9 and provided further, that railroad licensees exercising the
10 above powers shall be subject to all provisions of Article VIII
11 of this Act as applied to importing distributors. A railroad
12 license shall also permit the licensee to sell or dispense
13 alcoholic liquors on any club, buffet, lounge or dining car
14 operated on an electric, gas or steam railway regularly
15 operated by a common carrier in this State, but shall not
16 permit the sale for resale of any alcoholic liquors to any
17 licensee within this State. A license shall be obtained for
18 each car in which such sales are made.

19 (g) A boat license shall allow the sale of alcoholic liquor
20 in individual drinks, on any passenger boat regularly operated
21 as a common carrier on navigable waters in this State or on any
22 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
23 which boat or riverboat maintains a public dining room or
24 restaurant thereon.

25 (h) A non-beverage user's license shall allow the licensee
26 to purchase alcoholic liquor from a licensed manufacturer or

1 importing distributor, without the imposition of any tax upon
 2 the business of such licensed manufacturer or importing
 3 distributor as to such alcoholic liquor to be used by such
 4 licensee solely for the non-beverage purposes set forth in
 5 subsection (a) of Section 8-1 of this Act, and such licenses
 6 shall be divided and classified and shall permit the purchase,
 7 possession and use of limited and stated quantities of
 8 alcoholic liquor as follows:

- 9 Class 1, not to exceed 500 gallons
- 10 Class 2, not to exceed 1,000 gallons
- 11 Class 3, not to exceed 5,000 gallons
- 12 Class 4, not to exceed 10,000 gallons
- 13 Class 5, not to exceed 50,000 gallons

14 (i) A wine-maker's premises license shall allow a licensee
 15 that concurrently holds a first-class wine-maker's license to
 16 sell and offer for sale at retail in the premises specified in
 17 such license not more than 50,000 gallons of the first-class
 18 wine-maker's wine that is made at the first-class wine-maker's
 19 licensed premises per year for use or consumption, but not for
 20 resale in any form. A wine-maker's premises license shall allow
 21 a licensee who concurrently holds a second-class wine-maker's
 22 license to sell and offer for sale at retail in the premises
 23 specified in such license up to 100,000 gallons of the
 24 second-class wine-maker's wine that is made at the second-class
 25 wine-maker's licensed premises per year for use or consumption
 26 but not for resale in any form. A wine-maker's premises license

1 shall allow a licensee that concurrently holds a first-class
2 wine-maker's license or a second-class wine-maker's license to
3 sell and offer for sale at retail at the premises specified in
4 the wine-maker's premises license, for use or consumption but
5 not for resale in any form, any beer, wine, and spirits
6 purchased from a licensed distributor. Upon approval from the
7 State Commission, a wine-maker's premises license shall allow
8 the licensee to sell and offer for sale at (i) the wine-maker's
9 licensed premises and (ii) at up to 2 additional locations for
10 use and consumption and not for resale. Each location shall
11 require additional licensing per location as specified in
12 Section 5-3 of this Act. A wine-maker's premises licensee shall
13 secure liquor liability insurance coverage in an amount at
14 least equal to the maximum liability amounts set forth in
15 subsection (a) of Section 6-21 of this Act.

16 (j) An airplane license shall permit the licensee to import
17 alcoholic liquors into this State from any point in the United
18 States outside this State and to store such alcoholic liquors
19 in this State; to make wholesale purchases of alcoholic liquors
20 directly from manufacturers, foreign importers, distributors
21 and importing distributors from within or outside this State;
22 and to store such alcoholic liquors in this State; provided
23 that the above powers may be exercised only in connection with
24 the importation, purchase or storage of alcoholic liquors to be
25 sold or dispensed on an airplane; and provided further, that
26 airplane licensees exercising the above powers shall be subject

1 to all provisions of Article VIII of this Act as applied to
2 importing distributors. An airplane licensee shall also permit
3 the sale or dispensing of alcoholic liquors on any passenger
4 airplane regularly operated by a common carrier in this State,
5 but shall not permit the sale for resale of any alcoholic
6 liquors to any licensee within this State. A single airplane
7 license shall be required of an airline company if liquor
8 service is provided on board aircraft in this State. The annual
9 fee for such license shall be as determined in Section 5-3.

10 (k) A foreign importer's license shall permit such licensee
11 to purchase alcoholic liquor from Illinois licensed
12 non-resident dealers only, and to import alcoholic liquor other
13 than in bulk from any point outside the United States and to
14 sell such alcoholic liquor to Illinois licensed importing
15 distributors and to no one else in Illinois; provided that (i)
16 the foreign importer registers with the State Commission every
17 brand of alcoholic liquor that it proposes to sell to Illinois
18 licensees during the license period, (ii) the foreign importer
19 complies with all of the provisions of Section 6-9 of this Act
20 with respect to registration of such Illinois licensees as may
21 be granted the right to sell such brands at wholesale, and
22 (iii) the foreign importer complies with the provisions of
23 Sections 6-5 and 6-6 of this Act to the same extent that these
24 provisions apply to manufacturers.

25 (l) (i) A broker's license shall be required of all persons
26 who solicit orders for, offer to sell or offer to supply

1 alcoholic liquor to retailers in the State of Illinois, or who
2 offer to retailers to ship or cause to be shipped or to make
3 contact with distillers, rectifiers, brewers or manufacturers
4 or any other party within or without the State of Illinois in
5 order that alcoholic liquors be shipped to a distributor,
6 importing distributor or foreign importer, whether such
7 solicitation or offer is consummated within or without the
8 State of Illinois.

9 No holder of a retailer's license issued by the Illinois
10 Liquor Control Commission shall purchase or receive any
11 alcoholic liquor, the order for which was solicited or offered
12 for sale to such retailer by a broker unless the broker is the
13 holder of a valid broker's license.

14 The broker shall, upon the acceptance by a retailer of the
15 broker's solicitation of an order or offer to sell or supply or
16 deliver or have delivered alcoholic liquors, promptly forward
17 to the Illinois Liquor Control Commission a notification of
18 said transaction in such form as the Commission may by
19 regulations prescribe.

20 (ii) A broker's license shall be required of a person
21 within this State, other than a retail licensee, who, for a fee
22 or commission, promotes, solicits, or accepts orders for
23 alcoholic liquor, for use or consumption and not for resale, to
24 be shipped from this State and delivered to residents outside
25 of this State by an express company, common carrier, or
26 contract carrier. This Section does not apply to any person who

1 promotes, solicits, or accepts orders for wine as specifically
2 authorized in Section 6-29 of this Act.

3 A broker's license under this subsection (1) shall not
4 entitle the holder to buy or sell any alcoholic liquors for his
5 own account or to take or deliver title to such alcoholic
6 liquors.

7 This subsection (1) shall not apply to distributors,
8 employees of distributors, or employees of a manufacturer who
9 has registered the trademark, brand or name of the alcoholic
10 liquor pursuant to Section 6-9 of this Act, and who regularly
11 sells such alcoholic liquor in the State of Illinois only to
12 its registrants thereunder.

13 Any agent, representative, or person subject to
14 registration pursuant to subsection (a-1) of this Section shall
15 not be eligible to receive a broker's license.

16 (m) A non-resident dealer's license shall permit such
17 licensee to ship into and warehouse alcoholic liquor into this
18 State from any point outside of this State, and to sell such
19 alcoholic liquor to Illinois licensed foreign importers and
20 importing distributors and to no one else in this State;
21 provided that (i) said non-resident dealer shall register with
22 the Illinois Liquor Control Commission each and every brand of
23 alcoholic liquor which it proposes to sell to Illinois
24 licensees during the license period, (ii) it shall comply with
25 all of the provisions of Section 6-9 hereof with respect to
26 registration of such Illinois licensees as may be granted the

1 right to sell such brands at wholesale, and (iii) the
2 non-resident dealer shall comply with the provisions of
3 Sections 6-5 and 6-6 of this Act to the same extent that these
4 provisions apply to manufacturers.

5 (n) A brew pub license shall allow the licensee to
6 manufacture beer only on the premises specified in the license,
7 to make sales of the beer manufactured on the premises to
8 importing distributors, distributors, and to non-licensees for
9 use and consumption, to store the beer upon the premises, and
10 to sell and offer for sale at retail from the licensed
11 premises, provided that a brew pub licensee shall not sell for
12 off-premises consumption more than 50,000 gallons per year.

13 (o) A caterer retailer license shall allow the holder to
14 serve alcoholic liquors as an incidental part of a food service
15 that serves prepared meals which excludes the serving of snacks
16 as the primary meal, either on or off-site whether licensed or
17 unlicensed.

18 (p) An auction liquor license shall allow the licensee to
19 sell and offer for sale at auction wine and spirits for use or
20 consumption, or for resale by an Illinois liquor licensee in
21 accordance with provisions of this Act. An auction liquor
22 license will be issued to a person and it will permit the
23 auction liquor licensee to hold the auction anywhere in the
24 State. An auction liquor license must be obtained for each
25 auction at least 14 days in advance of the auction date.

26 (q) A special use permit license shall allow an Illinois

1 licensed retailer to transfer a portion of its alcoholic liquor
2 inventory from its retail licensed premises to the premises
3 specified in the license hereby created, and to sell or offer
4 for sale at retail, only in the premises specified in the
5 license hereby created, the transferred alcoholic liquor for
6 use or consumption, but not for resale in any form. A special
7 use permit license may be granted for the following time
8 periods: one day or less; 2 or more days to a maximum of 15 days
9 per location in any 12 month period. An applicant for the
10 special use permit license must also submit with the
11 application proof satisfactory to the State Commission that the
12 applicant will provide dram shop liability insurance to the
13 maximum limits and have local authority approval.

14 (r) A winery shipper's license shall allow a person with a
15 first-class or second-class wine manufacturer's license, a
16 first-class or second-class wine-maker's license, or a limited
17 wine manufacturer's license or who is licensed to make wine
18 under the laws of another state to ship wine made by that
19 licensee directly to a resident of this State who is 21 years
20 of age or older for that resident's personal use and not for
21 resale. Prior to receiving a winery shipper's license, an
22 applicant for the license must provide the Commission with a
23 true copy of its current license in any state in which it is
24 licensed as a manufacturer of wine. An applicant for a winery
25 shipper's license must also complete an application form that
26 provides any other information the Commission deems necessary.

1 The application form shall include an acknowledgement
2 consenting to the jurisdiction of the Commission, the Illinois
3 Department of Revenue, and the courts of this State concerning
4 the enforcement of this Act and any related laws, rules, and
5 regulations, including authorizing the Department of Revenue
6 and the Commission to conduct audits for the purpose of
7 ensuring compliance with this amendatory Act.

8 A winery shipper licensee must pay to the Department of
9 Revenue the State liquor gallonage tax under Section 8-1 for
10 all wine that is sold by the licensee and shipped to a person
11 in this State. For the purposes of Section 8-1, a winery
12 shipper licensee shall be taxed in the same manner as a
13 manufacturer of wine. A licensee who is not otherwise required
14 to register under the Retailers' Occupation Tax Act must
15 register under the Use Tax Act to collect and remit use tax to
16 the Department of Revenue for all gallons of wine that are sold
17 by the licensee and shipped to persons in this State. If a
18 licensee fails to remit the tax imposed under this Act in
19 accordance with the provisions of Article VIII of this Act, the
20 winery shipper's license shall be revoked in accordance with
21 the provisions of Article VII of this Act. If a licensee fails
22 to properly register and remit tax under the Use Tax Act or the
23 Retailers' Occupation Tax Act for all wine that is sold by the
24 winery shipper and shipped to persons in this State, the winery
25 shipper's license shall be revoked in accordance with the
26 provisions of Article VII of this Act.

1 A winery shipper licensee must collect, maintain, and
2 submit to the Commission on a semi-annual basis the total
3 number of cases per resident of wine shipped to residents of
4 this State. A winery shipper licensed under this subsection (r)
5 must comply with the requirements of Section 6-29 of this
6 amendatory Act.

7 (Source: P.A. 95-331, eff. 8-21-07; 95-634, eff. 6-1-08;
8 95-769, eff. 7-29-08.)

9 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

10 Sec. 6-30. Notwithstanding any other provision of this Act,
11 the Illinois Gaming Board shall have exclusive authority to
12 establish the hours for sale and consumption of alcoholic
13 liquor on board a riverboat during riverboat gambling
14 excursions conducted in accordance with the Illinois Riverboat
15 Gambling Act.

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

17 Section 75. The Criminal Code of 1961 is amended by
18 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
19 follows:

20 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

21 Sec. 28-1. Gambling.

22 (a) A person commits gambling when he:

23 (1) Plays a game of chance or skill for money or other

1 thing of value, unless excepted in subsection (b) of this
2 Section; or

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

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

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

1 (5) Knowingly owns or possesses any book, instrument or
2 apparatus by means of which bets or wagers have been, or
3 are, recorded or registered, or knowingly possesses any
4 money which he has received in the course of a bet or
5 wager; or

6 (6) Sells pools upon the result of any game or contest
7 of skill or chance, political nomination, appointment or
8 election; or

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

11 (8) Sets up or promotes any policy game or sells,
12 offers to sell or knowingly possesses or transfers any
13 policy ticket, slip, record, document or other similar
14 device; or

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

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

25 (11) Knowingly transmits information as to wagers,
26 betting odds, or changes in betting odds by telephone,

1 telegraph, radio, semaphore or similar means; or knowingly
2 installs or maintains equipment for the transmission or
3 receipt of such information; except that nothing in this
4 subdivision (11) prohibits transmission or receipt of such
5 information for use in news reporting of sporting events or
6 contests; or

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

13 (b) Participants in any of the following activities shall
14 not be convicted of gambling therefor:

15 (1) Agreements to compensate for loss caused by the
16 happening of chance including without limitation contracts
17 of indemnity or guaranty and life or health or accident
18 insurance;

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

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

25 (4) Manufacture of gambling devices, including the
26 acquisition of essential parts therefor and the assembly

1 thereof, for transportation in interstate or foreign
2 commerce to any place outside this State when such
3 transportation is not prohibited by any applicable Federal
4 law;

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

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

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

14 (8) Raffles when conducted in accordance with the
15 Raffles Act;

16 (9) Charitable games when conducted in accordance with
17 the Charitable Games Act;

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

20 (11) Gambling games ~~conducted on riverboats~~ when
21 authorized by the Illinois Riverboat Gambling Act.

22 (c) Sentence.

23 Gambling under subsection (a)(1) or (a)(2) of this Section
24 is a Class A misdemeanor. Gambling under any of subsections
25 (a)(3) through (a)(11) of this Section is a Class A
26 misdemeanor. A second or subsequent conviction under any of

1 subsections (a)(3) through (a)(11), is a Class 4 felony.
2 Gambling under subsection (a)(12) of this Section is a Class A
3 misdemeanor. A second or subsequent conviction under
4 subsection (a)(12) is a Class 4 felony.

5 (d) Circumstantial evidence.

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

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

10 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

11 Sec. 28-1.1. Syndicated gambling.

12 (a) Declaration of Purpose. Recognizing the close
13 relationship between professional gambling and other organized
14 crime, it is declared to be the policy of the legislature to
15 restrain persons from engaging in the business of gambling for
16 profit in this State. This Section shall be liberally construed
17 and administered with a view to carrying out this policy.

18 (b) A person commits syndicated gambling when he operates a
19 "policy game" or engages in the business of bookmaking.

20 (c) A person "operates a policy game" when he knowingly
21 uses any premises or property for the purpose of receiving or
22 knowingly does receive from what is commonly called "policy":

23 (1) money from a person other than the better or player
24 whose bets or plays are represented by such money; or

25 (2) written "policy game" records, made or used over

1 any period of time, from a person other than the better or
2 player whose bets or plays are represented by such written
3 record.

4 (d) A person engages in bookmaking when he receives or
5 accepts more than five bets or wagers upon the result of any
6 trials or contests of skill, speed or power of endurance or
7 upon any lot, chance, casualty, unknown or contingent event
8 whatsoever, which bets or wagers shall be of such size that the
9 total of the amounts of money paid or promised to be paid to
10 such bookmaker on account thereof shall exceed \$2,000.
11 Bookmaking is the receiving or accepting of such bets or wagers
12 regardless of the form or manner in which the bookmaker records
13 them.

14 (e) Participants in any of the following activities shall
15 not be convicted of syndicated gambling:

16 (1) Agreements to compensate for loss caused by the
17 happening of chance including without limitation contracts
18 of indemnity or guaranty and life or health or accident
19 insurance; and

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

25 (3) Pari-mutuel betting as authorized by law of this
26 State; and

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

7 (5) Raffles when conducted in accordance with the
8 Raffles Act; and

9 (6) Gambling games ~~conducted on riverboats~~ when
10 authorized by the Illinois ~~Riverboat~~ Gambling Act.

11 (f) Sentence. Syndicated gambling is a Class 3 felony.

12 (Source: P.A. 86-1029; 87-435.)

13 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

14 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
15 any real estate, vehicle, boat or any other property whatsoever
16 used for the purposes of gambling other than gambling conducted
17 in the manner authorized by the Illinois ~~Riverboat~~ Gambling
18 Act. Any person who knowingly permits any premises or property
19 owned or occupied by him or under his control to be used as a
20 gambling place commits a Class A misdemeanor. Each subsequent
21 offense is a Class 4 felony. When any premises is determined by
22 the circuit court to be a gambling place:

23 (a) Such premises is a public nuisance and may be proceeded
24 against as such, and

25 (b) All licenses, permits or certificates issued by the

1 State of Illinois or any subdivision or public agency thereof
2 authorizing the serving of food or liquor on such premises
3 shall be void; and no license, permit or certificate so
4 cancelled shall be reissued for such premises for a period of
5 60 days thereafter; nor shall any person convicted of keeping a
6 gambling place be reissued such license for one year from his
7 conviction and, after a second conviction of keeping a gambling
8 place, any such person shall not be reissued such license, and

9 (c) Such premises of any person who knowingly permits
10 thereon a violation of any Section of this Article shall be
11 held liable for, and may be sold to pay any unsatisfied
12 judgment that may be recovered and any unsatisfied fine that
13 may be levied under any Section of this Article.

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

15 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

16 Sec. 28-5. Seizure of gambling devices and gambling funds.

17 (a) Every device designed for gambling which is incapable
18 of lawful use or every device used unlawfully for gambling
19 shall be considered a "gambling device", and shall be subject
20 to seizure, confiscation and destruction by the Department of
21 State Police or by any municipal, or other local authority,
22 within whose jurisdiction the same may be found. As used in
23 this Section, a "gambling device" includes any slot machine,
24 and includes any machine or device constructed for the
25 reception of money or other thing of value and so constructed

1 as to return, or to cause someone to return, on chance to the
2 player thereof money, property or a right to receive money or
3 property. With the exception of any device designed for
4 gambling which is incapable of lawful use, no gambling device
5 shall be forfeited or destroyed unless an individual with a
6 property interest in said device knows of the unlawful use of
7 the device.

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

12 (c) If, within 60 days after any seizure pursuant to
13 subparagraph (b) of this Section, a person having any property
14 interest in the seized property is charged with an offense, the
15 court which renders judgment upon such charge shall, within 30
16 days after such judgment, conduct a forfeiture hearing to
17 determine whether such property was a gambling device at the
18 time of seizure. Such hearing shall be commenced by a written
19 petition by the State, including material allegations of fact,
20 the name and address of every person determined by the State to
21 have any property interest in the seized property, a
22 representation that written notice of the date, time and place
23 of such hearing has been mailed to every such person by
24 certified mail at least 10 days before such date, and a request
25 for forfeiture. Every such person may appear as a party and
26 present evidence at such hearing. The quantum of proof required

1 shall be a preponderance of the evidence, and the burden of
2 proof shall be on the State. If the court determines that the
3 seized property was a gambling device at the time of seizure,
4 an order of forfeiture and disposition of the seized property
5 shall be entered: a gambling device shall be received by the
6 State's Attorney, who shall effect its destruction, except that
7 valuable parts thereof may be liquidated and the resultant
8 money shall be deposited in the general fund of the county
9 wherein such seizure occurred; money and other things of value
10 shall be received by the State's Attorney and, upon
11 liquidation, shall be deposited in the general fund of the
12 county wherein such seizure occurred. However, in the event
13 that a defendant raises the defense that the seized slot
14 machine is an antique slot machine described in subparagraph
15 (b) (7) of Section 28-1 of this Code and therefore he is exempt
16 from the charge of a gambling activity participant, the seized
17 antique slot machine shall not be destroyed or otherwise
18 altered until a final determination is made by the Court as to
19 whether it is such an antique slot machine. Upon a final
20 determination by the Court of this question in favor of the
21 defendant, such slot machine shall be immediately returned to
22 the defendant. Such order of forfeiture and disposition shall,
23 for the purposes of appeal, be a final order and judgment in a
24 civil proceeding.

25 (d) If a seizure pursuant to subparagraph (b) of this
26 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
4 Attorney shall commence an in rem proceeding for the forfeiture
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
7 or other things of value, or both, in the circuit court and (2)
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.

11 (e) Any gambling device displayed for sale to a riverboat
12 gambling operation or electronic gaming facility or used to
13 train occupational licensees of a riverboat gambling operation
14 or electronic gaming facility as authorized under the Illinois
15 ~~Riverboat~~ Gambling Act is exempt from seizure under this
16 Section.

17 (f) Any gambling equipment, devices and supplies provided
18 by a licensed supplier in accordance with the Illinois
19 ~~Riverboat~~ Gambling Act which are removed from a ~~the~~ riverboat
20 or electronic gaming facility for repair are exempt from
21 seizure under this Section.

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

23 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

24 Sec. 28-7. Gambling contracts void.

25 (a) All promises, notes, bills, bonds, covenants,

1 contracts, agreements, judgments, mortgages, or other
2 securities or conveyances made, given, granted, drawn, or
3 entered into, or executed by any person whatsoever, where the
4 whole or any part of the consideration thereof is for any money
5 or thing of value, won or obtained in violation of any Section
6 of this Article are null and void.

7 (b) Any obligation void under this Section may be set aside
8 and vacated by any court of competent jurisdiction, upon a
9 complaint filed for that purpose, by the person so granting,
10 giving, entering into, or executing the same, or by his
11 executors or administrators, or by any creditor, heir, legatee,
12 purchaser or other person interested therein; or if a judgment,
13 the same may be set aside on motion of any person stated above,
14 on due notice thereof given.

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

19 (d) This Section shall not prevent a licensed owner of a
20 riverboat gambling operation or an electronic gaming licensee
21 under the Illinois Gambling Act and the Illinois Horse Racing
22 Act of 1975 from instituting a cause of action to collect any
23 amount due and owing under an extension of credit to a
24 ~~riverboat~~ gambling patron as authorized under Section 11.1 of
25 the Illinois ~~Riverboat~~ Gambling Act.

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

1 Section 80. The Payday Loan Reform Act is amended by
2 changing Section 3-5 as follows:

3 (815 ILCS 122/3-5)

4 Sec. 3-5. Licensure.

5 (a) A license to make a payday loan shall state the
6 address, including city and state, at which the business is to
7 be conducted and shall state fully the name of the licensee.
8 The license shall be conspicuously posted in the place of
9 business of the licensee and shall not be transferable or
10 assignable.

11 (b) An application for a license shall be in writing and in
12 a form prescribed by the Secretary. The Secretary may not issue
13 a payday loan license unless and until the following findings
14 are made:

15 (1) that the financial responsibility, experience,
16 character, and general fitness of the applicant are such as
17 to command the confidence of the public and to warrant the
18 belief that the business will be operated lawfully and
19 fairly and within the provisions and purposes of this Act;
20 and

21 (2) that the applicant has submitted such other
22 information as the Secretary may deem necessary.

23 (c) A license shall be issued for no longer than one year,
24 and no renewal of a license may be provided if a licensee has

1 substantially violated this Act and has not cured the violation
2 to the satisfaction of the Department.

3 (d) A licensee shall appoint, in writing, the Secretary as
4 attorney-in-fact upon whom all lawful process against the
5 licensee may be served with the same legal force and validity
6 as if served on the licensee. A copy of the written
7 appointment, duly certified, shall be filed in the office of
8 the Secretary, and a copy thereof certified by the Secretary
9 shall be sufficient evidence to subject a licensee to
10 jurisdiction in a court of law. This appointment shall remain
11 in effect while any liability remains outstanding in this State
12 against the licensee. When summons is served upon the Secretary
13 as attorney-in-fact for a licensee, the Secretary shall
14 immediately notify the licensee by registered mail, enclosing
15 the summons and specifying the hour and day of service.

16 (e) A licensee must pay an annual fee of \$1,000. In
17 addition to the license fee, the reasonable expense of any
18 examination or hearing by the Secretary under any provisions of
19 this Act shall be borne by the licensee. If a licensee fails to
20 renew its license by December 31, its license shall
21 automatically expire; however, the Secretary, in his or her
22 discretion, may reinstate an expired license upon:

23 (1) payment of the annual fee within 30 days of the
24 date of expiration; and

25 (2) proof of good cause for failure to renew.

26 (f) Not more than one place of business shall be maintained

1 under the same license, but the Secretary may issue more than
2 one license to the same licensee upon compliance with all the
3 provisions of this Act governing issuance of a single license.
4 The location, except those locations already in existence as of
5 June 1, 2005, may not be within one mile of a horse race track
6 subject to the Illinois Horse Racing Act of 1975, within one
7 mile of a facility at which gambling is conducted under the
8 Illinois Riverboat Gambling Act, within one mile of the
9 location at which a riverboat subject to the Illinois Riverboat
10 Gambling Act docks, or within one mile of any State of Illinois
11 or United States military base or naval installation.

12 (g) No licensee shall conduct the business of making loans
13 under this Act within any office, suite, room, or place of
14 business in which any other business is solicited or engaged in
15 unless the other business is licensed by the Department or, in
16 the opinion of the Secretary, the other business would not be
17 contrary to the best interests of consumers and is authorized
18 by the Secretary in writing.

19 (h) The Secretary shall maintain a list of licensees that
20 shall be available to interested consumers and lenders and the
21 public. The Secretary shall maintain a toll-free number whereby
22 consumers may obtain information about licensees. The
23 Secretary shall also establish a complaint process under which
24 an aggrieved consumer may file a complaint against a licensee
25 or non-licensee who violates any provision of this Act.

26 (Source: P.A. 94-13, eff. 12-6-05.)

1 Section 85. The Travel Promotion Consumer Protection Act is
2 amended by changing Section 2 as follows:

3 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

4 Sec. 2. Definitions.

5 (a) "Travel promoter" means a person, including a tour
6 operator, who sells, provides, furnishes, contracts for,
7 arranges or advertises that he or she will arrange wholesale or
8 retail transportation by air, land, sea or navigable stream,
9 either separately or in conjunction with other services.
10 "Travel promoter" does not include (1) an air carrier; (2) a
11 sea carrier; (3) an officially appointed agent of an air
12 carrier who is a member in good standing of the Airline
13 Reporting Corporation; (4) a travel promoter who has in force
14 \$1,000,000 or more of liability insurance coverage for
15 professional errors and omissions and a surety bond or
16 equivalent surety in the amount of \$100,000 or more for the
17 benefit of consumers in the event of a bankruptcy on the part
18 of the travel promoter; or (5) a riverboat subject to
19 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

20 (b) "Advertise" means to make any representation in the
21 solicitation of passengers and includes communication with
22 other members of the same partnership, corporation, joint
23 venture, association, organization, group or other entity.

24 (c) "Passenger" means a person on whose behalf money or

1 other consideration has been given or is to be given to
2 another, including another member of the same partnership,
3 corporation, joint venture, association, organization, group
4 or other entity, for travel.

5 (d) "Ticket or voucher" means a writing or combination of
6 writings which is itself good and sufficient to obtain
7 transportation and other services for which the passenger has
8 contracted.

9 (Source: P.A. 91-357, eff. 7-29-99.)

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

1	INDEX	
2	Statutes amended in order of appearance	
3	5 ILCS 430/5-50	
4	5 ILCS 430/20-10	
5	5 ILCS 430/20-15	
6	15 ILCS 15/3.1	from Ch. 127, par. 1803.1
7	20 ILCS 301/5-20	
8	20 ILCS 2505/2505-305	was 20 ILCS 2505/39b15.1
9	30 ILCS 105/8h	
10	30 ILCS 105/5.26 rep.	
11	30 ILCS 105/5.26a rep.	
12	35 ILCS 5/201	from Ch. 120, par. 2-201
13	40 ILCS 5/14-110	from Ch. 108 1/2, par. 14-110
14	40 ILCS 5/14-111	from Ch. 108 1/2, par. 14-111
15	40 ILCS 5/14-152.1	
16	40 ILCS 5/18-127	from Ch. 108 1/2, par. 18-127
17	40 ILCS 5/18-169	
18	70 ILCS 1825/5.1	from Ch. 19, par. 255.1
19	205 ILCS 670/12.5	
20	230 ILCS 5/1.2	
21	230 ILCS 5/1.3	
22	230 ILCS 5/2.5 new	
23	230 ILCS 5/3.071	from Ch. 8, par. 37-3.071
24	230 ILCS 5/3.077	
25	230 ILCS 5/3.12	from Ch. 8, par. 37-3.12

1	230 ILCS 5/3.20	
2	230 ILCS 5/3.22	
3	230 ILCS 5/3.23	
4	230 ILCS 5/3.24 new	
5	230 ILCS 5/3.25 new	
6	230 ILCS 5/3.26 new	
7	230 ILCS 5/3.27 new	
8	230 ILCS 5/3.28 new	
9	230 ILCS 5/3.29 new	
10	230 ILCS 5/4	from Ch. 8, par. 37-4
11	230 ILCS 5/5	from Ch. 8, par. 37-5
12	230 ILCS 5/6	from Ch. 8, par. 37-6
13	230 ILCS 5/6.5 new	
14	230 ILCS 5/7	from Ch. 8, par. 37-7
15	230 ILCS 5/9	from Ch. 8, par. 37-9
16	230 ILCS 5/12.5 new	
17	230 ILCS 5/20	from Ch. 8, par. 37-20
18	230 ILCS 5/21.5 new	
19	230 ILCS 5/25	from Ch. 8, par. 37-25
20	230 ILCS 5/26	from Ch. 8, par. 37-26
21	230 ILCS 5/27	from Ch. 8, par. 37-27
22	230 ILCS 5/28.1	
23	230 ILCS 5/30	from Ch. 8, par. 37-30
24	230 ILCS 5/30.5	
25	230 ILCS 5/31	from Ch. 8, par. 37-31
26	230 ILCS 5/31.2 new	

1	230 ILCS 5/31.3 new	
2	230 ILCS 5/34.3 new	
3	230 ILCS 5/36	from Ch. 8, par. 37-36
4	230 ILCS 5/42	from Ch. 8, par. 37-42
5	230 ILCS 5/45	from Ch. 8, par. 37-45
6	230 ILCS 5/54.75	
7	230 ILCS 5/56 new	
8	230 ILCS 5/57 new	
9	230 ILCS 5/54 rep.	
10	230 ILCS 10/1	from Ch. 120, par. 2401
11	230 ILCS 10/3	from Ch. 120, par. 2403
12	230 ILCS 10/4	from Ch. 120, par. 2404
13	230 ILCS 10/5	from Ch. 120, par. 2405
14	230 ILCS 10/5.1	from Ch. 120, par. 2405.1
15	230 ILCS 10/5.2 new	
16	230 ILCS 10/5.3 new	
17	230 ILCS 10/5.4 new	
18	230 ILCS 10/5.5 new	
19	230 ILCS 10/5.7 new	
20	230 ILCS 10/7	from Ch. 120, par. 2407
21	230 ILCS 10/7.3	
22	230 ILCS 10/7.7 new	
23	230 ILCS 10/7.8 new	
24	230 ILCS 10/7.10 new	
25	230 ILCS 10/7.14 new	
26	230 ILCS 10/7.25 new	

1	230 ILCS 10/8	from Ch. 120, par. 2408
2	230 ILCS 10/9	from Ch. 120, par. 2409
3	230 ILCS 10/9.3 new	
4	230 ILCS 10/9.5 new	
5	230 ILCS 10/11	from Ch. 120, par. 2411
6	230 ILCS 10/11.1	from Ch. 120, par. 2411.1
7	230 ILCS 10/12	from Ch. 120, par. 2412
8	230 ILCS 10/13	from Ch. 120, par. 2413
9	230 ILCS 10/14	from Ch. 120, par. 2414
10	230 ILCS 10/17	from Ch. 120, par. 2417
11	230 ILCS 10/18	from Ch. 120, par. 2418
12	230 ILCS 10/19	from Ch. 120, par. 2419
13	230 ILCS 10/20	from Ch. 120, par. 2420
14	235 ILCS 5/5-1	from Ch. 43, par. 115
15	235 ILCS 5/6-30	from Ch. 43, par. 144f
16	720 ILCS 5/28-1	from Ch. 38, par. 28-1
17	720 ILCS 5/28-1.1	from Ch. 38, par. 28-1.1
18	720 ILCS 5/28-3	from Ch. 38, par. 28-3
19	720 ILCS 5/28-5	from Ch. 38, par. 28-5
20	720 ILCS 5/28-7	from Ch. 38, par. 28-7
21	815 ILCS 122/3-5	
22	815 ILCS 420/2	from Ch. 121 1/2, par. 1852