



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4707

Introduced 1/4/2010, by Rep. Dave Winters

SYNOPSIS AS INTRODUCED:

230 ILCS 10/5	from Ch. 120, par. 2405
230 ILCS 10/6	from Ch. 120, par. 2406
230 ILCS 10/13	from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Requires a new applicant for an owners license to competitively bid what percentage of adjusted gross receipts it shall pay as a wagering tax, with the new license going to the highest bidder. Requires each licensee to make a quarterly report to the Board indicating profits and losses. Effective immediately.

LRB096 15537 AMC 30767 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Riverboat Gambling Act is amended by
5 changing Sections 5, 6, and 13 as follows:

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

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

17 (2) The Board shall consist of 5 members to be appointed by
18 the Governor with the advice and consent of the Senate, one of
19 whom shall be designated by the Governor to be chairman. Each
20 member shall have a reasonable knowledge of the practice,
21 procedure and principles of gambling operations. Each member
22 shall either be a resident of Illinois or shall certify that he
23 will become a resident of Illinois before taking office. At

1 least one member shall be experienced in law enforcement and
2 criminal investigation, at least one member shall be a
3 certified public accountant experienced in accounting and
4 auditing, and at least one member shall be a lawyer licensed to
5 practice law in Illinois.

6 (3) The terms of office of the Board members shall be 3
7 years, except that the terms of office of the initial Board
8 members appointed pursuant to this Act will commence from the
9 effective date of this Act and run as follows: one for a term
10 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
11 a term ending July 1, 1993. Upon the expiration of the
12 foregoing terms, the successors of such members shall serve a
13 term for 3 years and until their successors are appointed and
14 qualified for like terms. Vacancies in the Board shall be
15 filled for the unexpired term in like manner as original
16 appointments. Each member of the Board shall be eligible for
17 reappointment at the discretion of the Governor with the advice
18 and consent of the Senate.

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

24 (5) No person shall be appointed a member of the Board or
25 continue to be a member of the Board who is, or whose spouse,
26 child or parent is, a member of the board of directors of, or a

1 person financially interested in, any gambling operation
2 subject to the jurisdiction of this Board, or any race track,
3 race meeting, racing association or the operations thereof
4 subject to the jurisdiction of the Illinois Racing Board. No
5 Board member shall hold any other public office for which he
6 shall receive compensation other than necessary travel or other
7 incidental expenses. No person shall be a member of the Board
8 who is not of good moral character or who has been convicted
9 of, or is under indictment for, a felony under the laws of
10 Illinois or any other state, or the United States.

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

14 (7) Before entering upon the discharge of the duties of his
15 office, each member of the Board shall take an oath that he
16 will faithfully execute the duties of his office according to
17 the laws of the State and the rules and regulations adopted
18 therewith and shall give bond to the State of Illinois,
19 approved by the Governor, in the sum of \$25,000. Every such
20 bond, when duly executed and approved, shall be recorded in the
21 office of the Secretary of State. Whenever the Governor
22 determines that the bond of any member of the Board has become
23 or is likely to become invalid or insufficient, he shall
24 require such member forthwith to renew his bond, which is to be
25 approved by the Governor. Any member of the Board who fails to
26 take oath and give bond within 30 days from the date of his

1 appointment, or who fails to renew his bond within 30 days
2 after it is demanded by the Governor, shall be guilty of
3 neglect of duty and may be removed by the Governor. The cost of
4 any bond given by any member of the Board under this Section
5 shall be taken to be a part of the necessary expenses of the
6 Board.

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

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

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

4 (1) To decide promptly and in reasonable order all
5 license applications. Any party aggrieved by an action of
6 the Board denying, suspending, revoking, restricting or
7 refusing to renew a license may request a hearing before
8 the Board. A request for a hearing must be made to the
9 Board in writing within 5 days after service of notice of
10 the action of the Board. Notice of the action of the Board
11 shall be served either by personal delivery or by certified
12 mail, postage prepaid, to the aggrieved party. Notice
13 served by certified mail shall be deemed complete on the
14 business day following the date of such mailing. The Board
15 shall conduct all requested hearings promptly and in
16 reasonable order;

17 (2) To conduct all hearings pertaining to civil
18 violations of this Act or rules and regulations promulgated
19 hereunder;

20 (3) To promulgate such rules and regulations as in its
21 judgment may be necessary to protect or enhance the
22 credibility and integrity of gambling operations
23 authorized by this Act and the regulatory process
24 hereunder;

25 (4) To provide for the establishment and collection of
26 all license and registration fees and taxes imposed by this

1 Act and the rules and regulations issued pursuant hereto.
2 All such fees and taxes shall be deposited into the State
3 Gaming Fund;

4 (5) To provide for the levy and collection of penalties
5 and fines for the violation of provisions of this Act and
6 the rules and regulations promulgated hereunder. All such
7 fines and penalties shall be deposited into the Education
8 Assistance Fund, created by Public Act 86-0018, of the
9 State of Illinois;

10 (6) To be present through its inspectors and agents any
11 time gambling operations are conducted on any riverboat for
12 the purpose of certifying the revenue thereof, receiving
13 complaints from the public, and conducting such other
14 investigations into the conduct of the gambling games and
15 the maintenance of the equipment as from time to time the
16 Board may deem necessary and proper;

17 (7) To review and rule upon any complaint by a licensee
18 regarding any investigative procedures of the State which
19 are unnecessarily disruptive of gambling operations. The
20 need to inspect and investigate shall be presumed at all
21 times. The disruption of a licensee's operations shall be
22 proved by clear and convincing evidence, and establish
23 that: (A) the procedures had no reasonable law enforcement
24 purposes, and (B) the procedures were so disruptive as to
25 unreasonably inhibit gambling operations;

26 (8) To hold at least one meeting each quarter of the

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

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

1 (10) To file a written annual report with the Governor
2 on or before March 1 each year and such additional reports
3 as the Governor may request. The annual report shall
4 include a statement of receipts and disbursements by the
5 Board, actions taken by the Board, and any additional
6 information and recommendations which the Board may deem
7 valuable or which the Governor may request;

8 (11) (Blank);

9 (12) To assume responsibility for the administration
10 and enforcement of the Bingo License and Tax Act, the
11 Charitable Games Act, and the Pull Tabs and Jar Games Act
12 if such responsibility is delegated to it by the Director
13 of Revenue; ~~and~~

14 (13) To assume responsibility for administration and
15 enforcement of the Video Gaming Act; ~~and~~

16 (14) To require each licensee under this Act to file a
17 quarterly report with the Board of its profits and losses,
18 which shall be a public document.

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

24 (1) To investigate applicants and determine the
25 eligibility of applicants for licenses and to select among
26 competing applicants the applicants which best serve the

1 interests of the citizens of Illinois.

2 (2) To have jurisdiction and supervision over all
3 riverboat gambling operations in this State and all persons
4 on riverboats where gambling operations are conducted.

5 (3) To promulgate rules and regulations for the purpose
6 of administering the provisions of this Act and to
7 prescribe rules, regulations and conditions under which
8 all riverboat gambling in the State shall be conducted.
9 Such rules and regulations are to provide for the
10 prevention of practices detrimental to the public interest
11 and for the best interests of riverboat gambling, including
12 rules and regulations regarding the inspection of such
13 riverboats and the review of any permits or licenses
14 necessary to operate a riverboat under any laws or
15 regulations applicable to riverboats, and to impose
16 penalties for violations thereof.

17 (4) To enter the office, riverboats, facilities, or
18 other places of business of a licensee, where evidence of
19 the compliance or noncompliance with the provisions of this
20 Act is likely to be found.

21 (5) To investigate alleged violations of this Act or
22 the rules of the Board and to take appropriate disciplinary
23 action against a licensee or a holder of an occupational
24 license for a violation, or institute appropriate legal
25 action for enforcement, or both.

26 (6) To adopt standards for the licensing of all persons

1 under this Act, as well as for electronic or mechanical
2 gambling games, and to establish fees for such licenses.

3 (7) To adopt appropriate standards for all riverboats
4 and 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. The Board may
7 suspend an owners license, without notice or hearing upon a
8 determination that the safety or health of patrons or
9 employees is jeopardized by continuing a riverboat's
10 operation. The suspension may remain in effect until the
11 Board determines that the cause for suspension has been
12 abated. The Board may revoke the owners license upon a
13 determination that the owner has not made satisfactory
14 progress toward abating the hazard.

15 (12) To eject or exclude or authorize the ejection or
16 exclusion of, any person from riverboat gambling
17 facilities where such person is in violation of this Act,
18 rules and regulations thereunder, or final orders of the
19 Board, or where such person's conduct or reputation is such
20 that his presence within the riverboat gambling facilities
21 may, in the opinion of the Board, call into question the
22 honesty and integrity of the gambling operations or
23 interfere with orderly conduct thereof; provided that the
24 propriety of such ejection or exclusion is subject to
25 subsequent hearing by the Board.

26 (13) To require all licensees of gambling operations to

1 utilize a cashless wagering system whereby all players'
2 money is converted to tokens, electronic cards, or chips
3 which shall be used only for wagering in the gambling
4 establishment.

5 (14) (Blank).

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

17 (16) To hire employees to gather information, conduct
18 investigations and carry out any other tasks contemplated
19 under this Act.

20 (17) To establish minimum levels of insurance to be
21 maintained by licensees.

22 (18) To authorize a licensee to sell or serve alcoholic
23 liquors, wine or beer as defined in the Liquor Control Act
24 of 1934 on board a riverboat and to have exclusive
25 authority to establish the hours for sale and consumption
26 of alcoholic liquor on board a riverboat, notwithstanding

1 any provision of the Liquor Control Act of 1934 or any
2 local ordinance, and regardless of whether the riverboat
3 makes excursions. The establishment of the hours for sale
4 and consumption of alcoholic liquor on board a riverboat is
5 an exclusive power and function of the State. A home rule
6 unit may not establish the hours for sale and consumption
7 of alcoholic liquor on board a riverboat. This amendatory
8 Act of 1991 is a denial and limitation of home rule powers
9 and functions under subsection (h) of Section 6 of Article
10 VII of the Illinois Constitution.

11 (19) After consultation with the U.S. Army Corps of
12 Engineers, to establish binding emergency orders upon the
13 concurrence of a majority of the members of the Board
14 regarding the navigability of water, relative to
15 excursions, in the event of extreme weather conditions,
16 acts of God or other extreme circumstances.

17 (20) To delegate the execution of any of its powers
18 under this Act for the purpose of administering and
19 enforcing this Act and its rules and regulations hereunder.

20 (20.6) To appoint investigators to conduct
21 investigations, searches, seizures, arrests, and other
22 duties imposed under this Act, as deemed necessary by the
23 Board. These investigators have and may exercise all of the
24 rights and powers of peace officers, provided that these
25 powers shall be limited to offenses or violations occurring
26 or committed on a riverboat or dock, as defined in

1 subsections (d) and (f) of Section 4, or as otherwise
2 provided by this Act or any other law.

3 (20.7) To contract with the Department of State Police
4 for the use of trained and qualified State police officers
5 and with the Department of Revenue for the use of trained
6 and qualified Department of Revenue investigators to
7 conduct investigations, searches, seizures, arrests, and
8 other duties imposed under this Act and to exercise all of
9 the rights and powers of peace officers, provided that the
10 powers of Department of Revenue investigators under this
11 subdivision (20.7) shall be limited to offenses or
12 violations occurring or committed on a riverboat or dock,
13 as defined in subsections (d) and (f) of Section 4, or as
14 otherwise provided by this Act or any other law. In the
15 event the Department of State Police or the Department of
16 Revenue is unable to fill contracted police or
17 investigative positions, the Board may appoint
18 investigators to fill those positions pursuant to
19 subdivision (20.6).

20 (21) To take any other action as may be reasonable or
21 appropriate to enforce this Act and rules and regulations
22 hereunder.

23 (d) The Board may seek and shall receive the cooperation of
24 the Department of State Police in conducting background
25 investigations of applicants and in fulfilling its
26 responsibilities under this Section. Costs incurred by the

1 Department of State Police as a result of such cooperation
2 shall be paid by the Board in conformance with the requirements
3 of Section 2605-400 of the Department of State Police Law (20
4 ILCS 2605/2605-400).

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

11 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; revised
12 8-20-09.)

13 (230 ILCS 10/6) (from Ch. 120, par. 2406)

14 Sec. 6. Application for Owners License.

15 (a) A qualified person may apply to the Board for an owners
16 license to conduct a riverboat gambling operation as provided
17 in this Act. The application shall be made on forms provided by
18 the Board and shall contain such information as the Board
19 prescribes, including but not limited to the identity of the
20 riverboat on which such gambling operation is to be conducted
21 and the exact location where such riverboat will be docked, a
22 certification that the riverboat will be registered under this
23 Act at all times during which gambling operations are conducted
24 on board, detailed information regarding the ownership and
25 management of the applicant, and detailed personal information

1 regarding the applicant. Any application for an owners license
2 to be re-issued on or after June 1, 2003 shall also include the
3 applicant's license bid in a form prescribed by the Board.
4 Information provided on the application shall be used as a
5 basis for a thorough background investigation which the Board
6 shall conduct with respect to each applicant. An incomplete
7 application shall be cause for denial of a license by the
8 Board. Beginning on the effective date of this amendatory Act
9 of 96th General Assembly, for a newly authorized owners
10 license, all applicants shall bid competitively for a new
11 license. The Board shall grant new licenses based, in addition
12 to the factors in Section 7, on what percentage of adjusted
13 gross receipts the applicant bids to pay to the State as a
14 wagering tax. The qualified applicant that bids to pay the
15 highest wagering tax shall be awarded the license.

16 (b) Each applicant ~~Applicants~~ shall submit with its ~~their~~
17 application all documents, resolutions, and letters of support
18 from the governing body that represents the municipality or
19 county wherein the licensee will dock.

20 (c) Each applicant shall disclose the identity of every
21 person, association, trust or corporation having a greater than
22 1% direct or indirect pecuniary interest in the riverboat
23 gambling operation with respect to which the license is sought.
24 If the disclosed entity is a trust, the application shall
25 disclose the names and addresses of the beneficiaries; if a
26 corporation, the names and addresses of all stockholders and

1 directors; if a partnership, the names and addresses of all
2 partners, both general and limited.

3 (d) An application shall be filed with the Board by January
4 1 of the year preceding any calendar year for which an
5 applicant seeks an owners license; however, applications for an
6 owners license permitting operations on January 1, 1991 shall
7 be filed by July 1, 1990. An application fee of \$50,000 shall
8 be paid at the time of filing to defray the costs associated
9 with the background investigation conducted by the Board. If
10 the costs of the investigation exceed \$50,000, the applicant
11 shall pay the additional amount to the Board. If the costs of
12 the investigation are less than \$50,000, the applicant shall
13 receive a refund of the remaining amount. All information,
14 records, interviews, reports, statements, memoranda or other
15 data supplied to or used by the Board in the course of its
16 review or investigation of an application for a license under
17 this Act shall be privileged, strictly confidential and shall
18 be used only for the purpose of evaluating an applicant. Such
19 information, records, interviews, reports, statements,
20 memoranda or other data shall not be admissible as evidence,
21 nor discoverable in any action of any kind in any court or
22 before any tribunal, board, agency or person, except for any
23 action deemed necessary by the Board.

24 (e) The Board shall charge each applicant a fee set by the
25 Department of State Police to defray the costs associated with
26 the search and classification of fingerprints obtained by the

1 Board with respect to the applicant's application. These fees
2 shall be paid into the State Police Services Fund.

3 (f) The licensed owner shall be the person primarily
4 responsible for the boat itself. Only one riverboat gambling
5 operation may be authorized by the Board on any riverboat. The
6 applicant must identify each riverboat it intends to use and
7 certify that the riverboat: (1) has the authorized capacity
8 required in this Act; (2) is accessible to disabled persons;
9 and (3) is fully registered and licensed in accordance with any
10 applicable laws.

11 (g) A person who knowingly makes a false statement on an
12 application is guilty of a Class A misdemeanor.

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

14 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 45% of annual adjusted gross receipts in excess of

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

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

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

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

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

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

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

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

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

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

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

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

15 (a-4) Beginning on the first day on which the tax imposed
16 under subsection (a-3) is no longer imposed, for licenses
17 issued before the effective date of this amendatory Act of the
18 96th General Assembly, a privilege tax is imposed on persons
19 engaged in the business of conducting riverboat gambling
20 operations, other than licensed managers conducting riverboat
21 gambling operations on behalf of the State, based on the
22 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 22.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$50,000,000;

3 27.5% of annual adjusted gross receipts in excess of
4 \$50,000,000 but not exceeding \$75,000,000;

5 32.5% of annual adjusted gross receipts in excess of
6 \$75,000,000 but not exceeding \$100,000,000;

7 37.5% of annual adjusted gross receipts in excess of
8 \$100,000,000 but not exceeding \$150,000,000;

9 45% of annual adjusted gross receipts in excess of
10 \$150,000,000 but not exceeding \$200,000,000;

11 50% of annual adjusted gross receipts in excess of
12 \$200,000,000.

13 For licenses issued on or after the effective date of this
14 amendatory Act of the 96th General Assembly, a tax is imposed
15 on the adjusted gross receipts received from gambling games
16 authorized under this Act at the rate set in the applicant's
17 bid for its license, but in no case less than 20%.

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

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

24 (a-15) If the privilege tax imposed under subsection (a-3)
25 is no longer imposed pursuant to item (i) of the last paragraph
26 of subsection (a-3), then by June 15 of each year, each owners

1 licensee, other than an owners licensee that admitted 1,000,000
2 persons or fewer in calendar year 2004, must, in addition to
3 the payment of all amounts otherwise due under this Section,
4 pay to the Board a reconciliation payment in the amount, if
5 any, by which the licensed owner's base amount exceeds the
6 amount of net privilege tax paid by the licensed owner to the
7 Board in the then current State fiscal year. A licensed owner's
8 net privilege tax obligation due for the balance of the State
9 fiscal year shall be reduced up to the total of the amount paid
10 by the licensed owner in its June 15 reconciliation payment.
11 The obligation imposed by this subsection (a-15) is binding on
12 any person, firm, corporation, or other entity that acquires an
13 ownership interest in any such owners license. The obligation
14 imposed under this subsection (a-15) terminates on the earliest
15 of: (i) July 1, 2007, (ii) the first day after the effective
16 date of this amendatory Act of the 94th General Assembly that
17 riverboat gambling operations are conducted pursuant to a
18 dormant license, (iii) the first day that riverboat gambling
19 operations are conducted under the authority of an owners
20 license that is in addition to the 10 owners licenses initially
21 authorized under this Act, or (iv) the first day that a
22 licensee under the Illinois Horse Racing Act of 1975 conducts
23 gaming operations with slot machines or other electronic gaming
24 devices. The Board must reduce the obligation imposed under
25 this subsection (a-15) by an amount the Board deems reasonable
26 for any of the following reasons: (A) an act or acts of God,

1 (B) an act of bioterrorism or terrorism or a bioterrorism or
2 terrorism threat that was investigated by a law enforcement
3 agency, or (C) a condition beyond the control of the owners
4 licensee that does not result from any act or omission by the
5 owners licensee or any of its agents and that poses a hazardous
6 threat to the health and safety of patrons. If an owners
7 licensee pays an amount in excess of its liability under this
8 Section, the Board shall apply the overpayment to future
9 payments required under this Section.

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

11 "Act of God" means an incident caused by the operation of
12 an extraordinary force that cannot be foreseen, that cannot be
13 avoided by the exercise of due care, and for which no person
14 can be held liable.

15 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

26 "Net privilege tax" means all privilege taxes paid by a

1 licensed owner to the Board under this Section, less all
2 payments made from the State Gaming Fund pursuant to subsection
3 (b) of this Section.

4 The changes made to this subsection (a-15) by Public Act
5 94-839 are intended to restate and clarify the intent of Public
6 Act 94-673 with respect to the amount of the payments required
7 to be made under this subsection by an owners licensee to the
8 Board.

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

1 (c) Appropriations, as approved by the General Assembly,
2 may be made from the State Gaming Fund to the Department of
3 Revenue and the Department of State Police for the
4 administration and enforcement of this Act and the Video Gaming
5 Act, or to the Department of Human Services for the
6 administration of programs to treat problem gambling.

7 (c-5) Before May 26, 2006 (the effective date of Public Act
8 94-804) and beginning on the effective date of this amendatory
9 Act of the 95th General Assembly, unless any organization
10 licensee under the Illinois Horse Racing Act of 1975 begins to
11 operate a slot machine or video game of chance under the
12 Illinois Horse Racing Act of 1975 or this Act, after the
13 payments required under subsections (b) and (c) have been made,
14 an amount equal to 15% of the adjusted gross receipts of (1) an
15 owners licensee that relocates pursuant to Section 11.2, (2) an
16 owners licensee conducting riverboat gambling operations
17 pursuant to an owners license that is initially issued after
18 June 25, 1999, or (3) the first riverboat gambling operations
19 conducted by a licensed manager on behalf of the State under
20 Section 7.3, whichever comes first, shall be paid from the
21 State Gaming Fund into the Horse Racing Equity Fund.

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

26 (c-15) After the payments required under subsections (b),

1 (c), and (c-5) have been made, an amount equal to 2% of the
2 adjusted gross receipts of (1) an owners licensee that
3 relocates pursuant to Section 11.2, (2) an owners licensee
4 conducting riverboat gambling operations pursuant to an owners
5 license that is initially issued after June 25, 1999, or (3)
6 the first riverboat gambling operations conducted by a licensed
7 manager on behalf of the State under Section 7.3, whichever
8 comes first, shall be paid, subject to appropriation from the
9 General Assembly, from the State Gaming Fund to each home rule
10 county with a population of over 3,000,000 inhabitants for the
11 purpose of enhancing the county's criminal justice system.

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

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

1 (d) From time to time, the Board shall transfer the
2 remainder of the funds generated by this Act into the Education
3 Assistance Fund, created by Public Act 86-0018, of the State of
4 Illinois.

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

10 (f) To the extent practicable, the Board shall administer
11 and collect the wagering taxes imposed by this Section in a
12 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
13 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
14 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
15 Penalty and Interest Act.

16 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;
17 96-37, eff. 7-13-09.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.