Rep. Lou Lang

## Filed: 11/9/2011

AMENDMENT TO SENATE BILL 1849

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AMENDMENT NO.
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``` . Amend Senate Bill 1849, AS AMENDED, with reference to page and line numbers of House Amendment No. 2 as follows:
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on page 81, line 3, after "for", by inserting "operational"; and
on page 84, line 3, after "County", by inserting ", including, but not limited to, track surfaces (main track and practice track), grandstands, audio and visual systems, paddocks and barns and associated surface areas, restroom facilities on the backstretch, and roadway surfaces around the racing facility"; and
on page 84, line 5, after the period, by inserting "Such amount shall not be less than $\$ 10,000,000$ annually."; and
on page 84, line 17, by deleting "solely"; and
on page 84, line 20, after the period, by inserting "Additionally, the first $\$ 5,000,000$ of deposits into the Fund shall be used for promotional costs associated with the Illinois State Fairgrounds in Sangamon County."; and
by replacing line 2 on page 143 through line 11 on page 144 with the following:
"(e-1) In awarding standardbred racing dates for calendar year 2013 and thereafter, the Board shall award at least 310 racing days, and each organization licensee shall average at least 12 races for each racing day awarded. The Board shall have the discretion to allocate those racing days among organization licensees requesting standardbred racing dates. Once awarded by the Board, organization licensees awarded standardbred racing dates shall run at least 3,500 races in total during that calendar year. Standardbred racing conducted in Sangamon County shall not be considered races under this subsection (e-1).
(e-2) In awarding racing dates for calendar year 2013 and thereafter, the Board shall award thoroughbred racing days to Cook County organization licensees commensurate with these organization licensees' requirement that they shall run at least 1,950 thoroughbred races in the aggregate, so long as 2
organization licensees are conducting electronic gaming
operations. Additionally, if the organization licensees that run thoroughbred races in Cook County are conducting electronic gaming operations, the Board shall increase the number of thoroughbred races to be run in Cook County in the aggregate to at least the following:
(i) 2,050 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County racetracks total in excess of $\$ 200,000,000$, but do not exceed $\$ 250,000,000$;
(ii) 2,125 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County racetracks total in excess of $\$ 250,000,000$, but do not exceed $\$ 300,000,000$;
(iii) 2,200 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County racetracks total in excess of $\$ 300,000,000$, but do not exceed $\$ 350,000,000$;
(iv) 2,300 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at cook County racetracks total in excess of $\$ 350,000,000$, but do not exceed $\$ 400,000,000$;
(v) 2,375 races in any year following the most recent
preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County racetracks total in excess of $\$ 400,000,000$, but do not exceed $\$ 450,000,000$;
(vi) 2,450 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at cook County racetracks total in excess of $\$ 450,000,000$, but do not exceed $\$ 500,000,000$; and
(vii) 2,550 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at cook County racetracks exceeds $\$ 500,000,000$. In awarding racing dates under this subsection (e-2), the Board shall have the discretion to allocate those thorough.bred racing dates among these Cook County organization licensees.
(e-3) In awarding racing dates for calendar year 2013 and thereafter in connection with a race track in Madison County, the Board shall award racing dates and such organization licensee shall run at least 700 thoroughbred races at the race track in Madison County each year.

Notwithstanding Section 7.6 of the Illinois Gambling Act or any provision of this Act other than subsection (e-4.5), for each calendar year for which an electronic gaming licensee located in Madison County requests racing dates resulting in less than 700 live thoroughbred races at its race track
facility, the electronic gaming licensee may not conduct electronic gaming for the calendar year of such requested live races.
(e-4) Notwithstanding the provisions of Section 7.6 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an electronic gaming licensee requests racing dates for a specific horse breed which results in a number of live races for that specific breed under its organization license that is less than the total number of live races for that specific breed which it conducted in 2011 for standardbred racing and in 2009 for thoroughbred racing at its race track facility, the electronic gaming licensee may not conduct electronic gaming for the calendar year of such requested live races.
(e-4.5) The Board shall ensure that each organization licensee shall individually run a sufficient number of races per year to qualify for an electronic gaming license under this Act. The General Assembly finds that the minimum live racing quarantees contained in subsections (e-1), (e-2), and (e-3) are in the best interest of the sport of horse racing, and that such guarantees may only be reduced in the limited circumstances described in this subsection. The Board may decrease the number of racing days without affecting an organization licensee's ability to conduct electronic gaming only if the Board determines, after notice and hearing, that: (i) a decrease is necessary to maintain a sufficient
number of betting interests per race to ensure the integrity of racing;
(ii) there are unsafe track conditions due to weather or acts of God;
(iii) there is an agreement between an organization licensee and the breed association that is applicable to the involved live racing guarantee, such association representing either the largest number of thoroughbred owners and trainers or the largest number of standardbred owners, trainers and drivers who race horses at the involved organization licensee's racing meeting, so long as the agreement does not compromise the integrity of the sport of horse racing; or
(iv) the horse population or purse levels are insufficient to provide the number of racing opportunities otherwise required in this Act. In decreasing the number of racing dates in accordance with this subsection, the Board shall hold a hearing and shall provide the public and all interested parties notice and an opportunity to be heard. The Board shall accept testimony from all interested parties, including any association representing owners, trainers, jockeys, or drivers who will be affected by the decrease in racing dates. The Board shall provide a written explanation of the reasons for the decrease and the Board's findings. The written explanation shall include a listing and content of all communication between any party and any Illinois

Racing Board member or staff that does not take place at a public meeting of the Board."; and
on page 241, line 12, by replacing "Gaming" with "Gambling"; and
on page 242, lines 11 and 23, by replacing "owners or trainers" each time it appears with "owners and trainers"; and
on page 243, line 9, by replacing "owners or trainers" with "owners and trainers"; and
on page 245, by deleting lines 13 through 22; and
by replacing line 6 on page 246 through line 2 on page 247 with the following:
"(230 ILCS 10/2) (from Ch. 120, par. 2402)
Sec. 2. Legislative Intent.
(a) This Act is intended to benefit the people of the State of Illinois by assisting economic development, promoting Illinois tourism and agriculture, assisting conservation and forestry programs, funding programs that assist the people of the State of Illinois during difficult economic conditions, increasing the amount of revenues available to the State to assist and support education, and by supporting programs that
enhance the beauty of the State and its parks, rivers, forest preserves, and botanic gardens.
(b) While authorization of riverboat and casino gambling will enhance investment, beautification, development and tourism in Illinois, it is recognized that it will do so successfully only if public confidence and trust in the credibility and integrity of the gambling operations and the regulatory process is maintained. Therefore, regulatory provisions of this Act are designed to strictly regulate the facilities, persons, associations and practices related to gambling operations pursuant to the police powers of the State, including comprehensive law enforcement supervision.
(c) The Illinois Gaming Board established under this Act should, as soon as possible, inform each applicant for an owners license of the Board's intent to grant or deny a license.
(Source: P.A. 93-28, eff. 6-20-03.)"; and
on page 280, line 11, after "locations", by inserting "and those obtained by owners licensees conducting gaming operations on the effective date of this amendatory Act of the 97th General Assembly"; and
on page 299, line 20, after the period, by inserting "Nothing in this paragraph shall prevent an owners licensee from immediately having up to 1,600 gaming positions in operation on
the effective date of this amendatory Act of the 97 th General Assembly upon receipt of the required payment for the gaming positions."; and
on page 300, line 5, after "paid.", by inserting "The Board may, after holding a public hearing, grant extensions so long as a licensed owner is working in good faith to make the positions operational. The extension may be for a period of 6 months. If, after the period of the extension, a licensed owner has not made the positions operational, then another public hearing must be held by the Board before it may grant another extension."; and
on page 301, immediately below line 1, by inserting the following:
"Unreserved gaming positions retained from and allocated to owners licensees by the Board pursuant to this subsection (h-10) shall not be allocated to electronic gaming licensees pursuant to subsection (e) of Section 7.6 of this Act."; and
on page 308, line 17, after "year", by inserting "or for a licensee that is only authorized 350 gaming positions pursuant to subsection (d) of Section 7.6 of this Act, 96 live races per year until such time as the total number of gaming positions is increased to 900"; and
on page 309, line 8, by replacing "license" with "licensee"; and
on page 309, line 22, after "County", by inserting "whose electronic gaming license originates with an organization licensee"; and
on page 309, line 24, after "County", by inserting "whose electronic gaming license originates with an organization licensee"; and
on page 309, line 26, after "licensee", by inserting "whose electronic gaming license originates with an organization licensee"; and
on page 310, line 3, by replacing "license conducted 25" with "licensee conducted 96"; and
on page 310, by replacing lines 5 through 20 with the following:
"(e) Each applicant for an electronic gaming license shall specify in its application for licensure the number of gaming positions it will operate, up to the applicable limitation set forth in subsection (d) of this Section. Any unreserved gaming positions that are not specified shall be forfeited and retained by the Board. For the purposes of this subsection (e),
an electronic gaming licensee that did not conduct live racing in 2010 may reserve up to 900 positions and shall not be penalized under this Section for not operating those positions until it meets the requirements of subsection (d) of this Section, but such licensee shall not request unreserved gaming positions under this subsection (e) until its 900 positions are all operational.

Thereafter, the Board shall offer any unreserved gaming positions in equal amounts to electronic gaming licensees, or applicants therefor, that have purchased all of the positions that were offered. This process shall continue until all unreserved gaming positions have been purchased. All positions obtained pursuant to this process and all positions the electronic gaming licensee specified it would operate in its application must be in operation within 18 months after they were obtained or the electronic gaming licensee forfeits the right to operate those positions, but is not entitled to a refund of any fees paid. The Board may, after holding a public hearing, grant extensions so long as the electronic gaming licensee is working in good faith to make the positions operational. The extension may be for a period of 6 months. If, after the period of the extension, the electronic gaming licensee has not made the positions operational, then another public hearing must be held by the Board before it may grant another extension.

Unreserved gaming positions retained from and allocated to
electronic gaming licensees by the Board pursuant to this subsection (e) shall not be allocated to owners licensees pursuant to subsection (h-10) of Section 7 of this Act.

For the purpose of this subsection (e), the unreserved gaming positions for each electronic gaming licensee shall be the applicable limitation set forth in subsection (d) of this Section, less the number of reserved gaming positions by such electronic gaming licensee, and the total unreserved gaming positions shall be the aggregate of the unreserved gaming positions for all electronic gaming licensees."; and
on page 341, lines 4 and 5, by replacing "on December 31, 2103" with "upon the imposition of the privilege tax under subsection (a-5) of this Section"; and
on page 341, line 26, by replacing "January 1, 2014" with "the date when at least 500 additional gaming positions authorized by this amendatory Act of the 97 th General Assembly are being used to conduct gambling operations"; and
on page 342, immediately below line 25 , by inserting the following:
"For the imposition of the privilege tax in this subsection (a-4), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.";

17 on page 354, line 7, by replacing "\$2,500,000" with 18 "\$3,000,000"; and
on page 354, line 10, by replacing "\$2,500,000" with "\$3,000,000"; and
on page 354, line 12, by replacing "\$4,000,000" with "\$5,000,000"; and
on page 354, line 14, by replacing "\$1,000,000" with "\$6,000,000"; and
on page 365, immediately below line 19, by inserting the following:
"Section 90-42. The Video Gaming Act is amended by changing Section 78 as follows:
(230 ILCS 40/78)
Sec. 78. Authority of the Illinois Gaming Board.
(a) The Board shall have jurisdiction over and shall supervise all gaming operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:
(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.
(2) To have jurisdiction and supervision over all video gaming operations in this State and all persons in establishments where video gaming operations are conducted.
(3) To adopt rules for the purpose of administering the provisions of this Act and to prescribe rules, regulations, and conditions under which all video gaming in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of video gaming, including rules and regulations regarding the inspection of such establishments and the review of any permits or licenses necessary to operate an establishment under any laws or regulations applicable to establishments and to impose penalties for violations of this Act and its rules.
(b) The Board shall adopt emergency rules to administer this Act in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative Procedure Act, the General Assembly finds that the adoption of rules to implement this Act is deemed an emergency and necessary to the public interest, safety, and welfare.
(c) Within 120 days after the effective date of this amendatory Act of the 97th General Assembly, the Board shall select and execute a contract with a vendor for the central communications system and make applications for licensed
establishments, licensed fraternal establishments, licensed
veterans establishments, and licensed truck stop
establishments available for potential applicants. The Board
shall make every reasonable effort to ensure that video gaming
operations are being conducted in this State by no later than
January 1, 2013.
(Source: P.A. 96-38, eff. 7-13-09; 96-1410, eff. 7-30-10.)".

