



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB2487

Introduced 10/12/2011, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7 from Ch. 120, par. 2407
230 ILCS 10/7.6
230 ILCS 10/11.2

Provides that, if and only if Senate Bill 744 of the 97th General Assembly becomes law, then the Illinois Gambling Act is amended (1) to require the Illinois Gaming Board to award owners licenses to applicants whose plans (i) generate the highest amount of revenue to the State and (ii) provide for the least amount of cannibalization of existing licensees' revenues generated pursuant to this Act; (2) to condition the approval of relocation to a new home dock location for a licensee that was not conducting riverboat gambling on January 1, 1998 upon the determination that the new home dock provides for the least amount of cannibalization of an existing licensee's revenues; and (3) to provide that to be eligible to conduct electronic gaming, a person, firm, or corporation having operating control of a race track must provide for the least amount of cannibalization of existing licensees' revenues generated pursuant to the Act. Effective upon becoming law or on the date Senate Bill 744 of the 97th General Assembly takes effect, whichever is later.

LRB097 12566 ASK 57051 b

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 10. If and only if Senate Bill 744 of the 97th
5 General Assembly becomes law as amended by House Amendments
6 Nos. 1, 2, 3, 4, 5, 6, and 7, then the Illinois Gambling Act is
7 amended by changing Sections 7, 7.6, and 11.2 as follows:

8 (230 ILCS 10/7) (from Ch. 120, par. 2407)

9 Sec. 7. Owners Licenses.

10 (a) The Board shall issue owners licenses to persons, firms
11 or corporations which apply for such licenses upon payment to
12 the Board of the non-refundable license fee set by the Board,
13 upon payment of a \$25,000 license fee for the first year of
14 operation and a \$5,000 license fee for each succeeding year and
15 upon a determination by the Board that the applicant is
16 eligible for an owners license pursuant to this Act and the
17 rules of the Board. A single person, firm, corporation, or
18 licensed owner shall be permitted to hold at least 5 owners
19 licenses, casino operator licenses, or electronic gaming
20 licenses, or any combination thereof. From the effective date
21 of this amendatory Act of the 95th General Assembly until (i) 3
22 years after the effective date of this amendatory Act of the
23 95th General Assembly, (ii) the date any organization licensee

1 begins to operate a slot machine or video game of chance under
2 the Illinois Horse Racing Act of 1975 or this Act, (iii) the
3 date that payments begin under subsection (c-5) of Section 13
4 of the Act, (iv) the wagering tax imposed under Section 13 of
5 this Act is increased by law to reflect a tax rate that is at
6 least as stringent or more stringent than the tax rate
7 contained in subsection (a-3) of Section 13, or (v) when an
8 owners licensee holding a license issued pursuant to Section
9 7.1 of this Act begins conducting gaming, whichever occurs
10 first, as a condition of licensure and as an alternative source
11 of payment for those funds payable under subsection (c-5) of
12 Section 13 of this Act, any owners licensee that holds or
13 receives its owners license on or after the effective date of
14 this amendatory Act of the 94th General Assembly, other than an
15 owners licensee operating a riverboat with adjusted gross
16 receipts in calendar year 2004 of less than \$200,000,000, must
17 pay into the Horse Racing Equity Trust Fund, in addition to any
18 other payments required under this Act, an amount equal to 3%
19 of the adjusted gross receipts received by the owners licensee.
20 The payments required under this Section shall be made by the
21 owners licensee to the State Treasurer no later than 3:00
22 o'clock p.m. of the day after the day when the adjusted gross
23 receipts were received by the owners licensee. A person, firm
24 or corporation is ineligible to receive an owners license if:

- 25 (1) the person has been convicted of a felony under the
26 laws of this State, any other state, or the United States;

1 (2) the person has been convicted of any violation of
2 Article 28 of the Criminal Code of 1961, or substantially
3 similar laws of any other jurisdiction;

4 (3) the person has submitted an application for a
5 license under this Act which contains false information;

6 (4) the person is a member of the Board;

7 (5) a person defined in (1), (2), (3) or (4) is an
8 officer, director or managerial employee of the firm or
9 corporation;

10 (6) the firm or corporation employs a person defined in
11 (1), (2), (3) or (4) who participates in the management or
12 operation of gambling operations authorized under this
13 Act;

14 (7) (blank); or

15 (8) a license of the person, firm or corporation issued
16 under this Act, or a license to own or operate gambling
17 facilities in any other jurisdiction, has been revoked.

18 The Board is expressly prohibited from making changes to
19 the requirement that licensees make payment into the Horse
20 Racing Equity Trust Fund without the express authority of the
21 Illinois General Assembly and making any other rule to
22 implement or interpret this amendatory Act of the 95th General
23 Assembly. For the purposes of this paragraph, "rules" is given
24 the meaning given to that term in Section 1-70 of the Illinois
25 Administrative Procedure Act.

26 (b) In determining whether to grant an owners license to an

1 applicant, the Board shall consider:

2 (1) the character, reputation, experience and
3 financial integrity of the applicants and of any other or
4 separate person that either:

5 (A) controls, directly or indirectly, such
6 applicant, or

7 (B) is controlled, directly or indirectly, by such
8 applicant or by a person which controls, directly or
9 indirectly, such applicant;

10 (2) the facilities or proposed facilities for the
11 conduct of gambling;

12 (3) the highest prospective total revenue to be derived
13 by the State from the conduct of gambling;

14 (4) the extent to which the ownership of the applicant
15 reflects the diversity of the State by including minority
16 persons, females, and persons with a disability and the
17 good faith affirmative action plan of each applicant to
18 recruit, train and upgrade minority persons, females, and
19 persons with a disability in all employment
20 classifications;

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

23 (6) whether the applicant has adequate capitalization
24 to provide and maintain, for the duration of a license, a
25 riverboat or casino;

26 (7) the extent to which the applicant exceeds or meets

1 other standards for the issuance of an owners license which
2 the Board may adopt by rule;

3 (8) the amount of the applicant's license bid;

4 (9) the extent to which the applicant or the proposed
5 host municipality plans to enter into revenue sharing
6 agreements with communities other than the host
7 municipality and the terms of those agreements; and

8 (10) the extent to which the ownership of an applicant
9 includes the most qualified number of minority persons,
10 females, and persons with a disability.

11 (c) Each owners license shall specify the place where the
12 casino shall operate or the riverboat shall operate and dock.

13 (d) Each applicant shall submit with his application, on
14 forms provided by the Board, 2 sets of his fingerprints.

15 (e) In addition to any licenses authorized under subsection
16 (e-5) of this Section, the Board may issue up to 10 licenses
17 authorizing the holders of such licenses to own riverboats. In
18 the application for an owners license, the applicant shall
19 state the dock at which the riverboat is based and the water on
20 which the riverboat will be located. The Board shall issue 5
21 licenses to become effective not earlier than January 1, 1991.
22 Three of such licenses shall authorize riverboat gambling on
23 the Mississippi River, or, with approval by the municipality in
24 which the riverboat was docked on August 7, 2003 and with Board
25 approval, be authorized to relocate to a new location, in a
26 municipality that (1) borders on the Mississippi River or is

1 within 5 miles of the city limits of a municipality that
2 borders on the Mississippi River and (2), on August 7, 2003,
3 had a riverboat conducting riverboat gambling operations
4 pursuant to a license issued under this Act; one of which shall
5 authorize riverboat gambling from a home dock in the city of
6 East St. Louis. One other license shall authorize riverboat
7 gambling on the Illinois River in Tazewell County or, with
8 approval by a municipality in which such riverboat was docked
9 on January 1, 2010 and with Board approval, shall authorize the
10 riverboat to relocate to a new location that is no more than 10
11 miles away from its original location, in a municipality that
12 (1) borders on the Illinois River or is within 5 miles of the
13 city limits of a municipality that borders on the Illinois
14 River and (2) on January 1, 2010, had a riverboat conducting
15 riverboat gambling operations pursuant to a license issued
16 under this Act. The Board shall issue one additional license to
17 become effective not earlier than March 1, 1992, which shall
18 authorize riverboat gambling on the Des Plaines River in Will
19 County. The Board may issue 4 additional licenses to become
20 effective not earlier than March 1, 1992. In determining the
21 water upon which riverboats will operate, the Board shall
22 consider the economic benefit which riverboat gambling confers
23 on the State, and shall seek to assure that all regions of the
24 State share in the economic benefits of riverboat gambling.

25 The Board shall award owners licenses to applicants whose
26 plans (i) generate the highest amount of revenue to the State

1 and (ii) provide for the least amount of cannibalization of
2 existing licensees', including electronic gaming licensees',
3 revenues generated pursuant to this Act. For the purposes of
4 this subsection (e), "cannibalization" means the diversion of
5 revenues generated pursuant to this Act from existing
6 licensees, including electronic gaming licensees, by an owners
7 licensee authorized under this subsection (e). In determining
8 whether cannibalization exists, the Board shall also consider
9 the extent to which the applicant can attract from market areas
10 of neighboring states.

11 In granting all licenses, the Board may give favorable
12 consideration to economically depressed areas of the State, to
13 applicants presenting plans which provide for significant
14 economic development over a large geographic area, and to
15 applicants who currently operate non-gambling riverboats in
16 Illinois. The Board shall review all applications for owners
17 licenses, and shall inform each applicant of the Board's
18 decision. The Board may grant an owners license to an applicant
19 that has not submitted the highest license bid, but if it does
20 not select the highest bidder, the Board shall issue a written
21 decision explaining why another applicant was selected and
22 identifying the factors set forth in this Section that favored
23 the winning bidder.

24 (e-5) In addition to licenses authorized under subsection
25 (e) of this Section, the Board may issue the following
26 licenses:

1 (1) One owners license authorizing the conduct of
2 casino gambling in the City of Chicago.

3 (2) One owners license authorizing the conduct of
4 riverboat gambling in the City of Danville.

5 (3) One owners license authorizing the conduct of
6 riverboat ~~or casino~~ gambling located in the City of Park
7 City.

8 (4) One owners license authorizing the conduct of
9 riverboat gambling in the City of Rockford.

10 (5) One owners license authorizing the conduct of
11 riverboat gambling in a municipality that is located in one
12 of the following townships of Cook County: Bloom, Bremen,
13 Calumet, Rich, Thornton, or Worth Township.

14 (e-6) The Board shall consider issuing a license pursuant
15 to subsection (e-5) only after the corporate authority of the
16 municipality in which the casino or riverboat shall be located
17 has certified to the Board the following:

18 (1) that the applicant has negotiated with the
19 corporate authority in good faith;

20 (2) that the applicant and the corporate authority have
21 mutually agreed on the permanent location of the casino or
22 riverboat;

23 (3) that the applicant and the corporate authority have
24 mutually agreed on the temporary location of the casino or
25 riverboat;

26 (4) that the applicant and the corporate authority have

1 mutually agreed on the percentage of revenues that will be
2 shared with the municipality, if any; and

3 (5) that the applicant and the corporate authority have
4 mutually agreed on any zoning, licensing, public health, or
5 other issues that are within the jurisdiction of the
6 municipality.

7 At least 7 days before the corporate authority of a
8 municipality submits a certification to the Board concerning
9 items (1) through (6) of this subsection, it shall hold a
10 public hearing to discuss items (1) through (6), as well as any
11 other details concerning the proposed riverboat or casino in
12 the municipality. The corporate authority must subsequently
13 memorialize the details concerning the proposed riverboat or
14 casino in a resolution that must be adopted by a majority of
15 the corporate authority before any certification is sent to the
16 Board. The Board shall not alter, amend, change, or otherwise
17 interfere with any agreement between the applicant and the
18 corporate authority of the municipality regarding the location
19 of any temporary or permanent facility.

20 (e-10) The licenses authorized under subsection (e-5) of
21 this Section shall be issued within 12 months after the
22 effective date of this amendatory Act of the 97th General
23 Assembly. The fee for the issuance or renewal of a license
24 issued pursuant to this subsection (e-10) shall be \$100,000.
25 Additionally, a licensee located outside of Cook County shall
26 pay an initial fee of \$12,500 per gaming position, and a

1 licensee located in Cook County shall pay \$25,000 per gaming
2 position. The initial fees payable under this subsection (e-10)
3 shall be deposited into the Gaming Facilities Fee Revenue Fund.

4 (e-15) Each licensee of a license authorized under
5 subsection (e-5) of this Section shall make a reconciliation
6 payment 4 years after the date the licensee begins operating in
7 an amount equal to 75% of the adjusted gross receipts for the
8 most lucrative 12-month period of operations, minus an amount
9 equal to the initial \$12,500 or \$25,000 initial payment per
10 gaming position, whichever was the initial amount paid by the
11 specific licensee. If this calculation results in a negative
12 amount, then the licensee is not entitled to any reimbursement
13 of fees previously paid. This reconciliation payment may be
14 made in installments over a period of no more than 5 years,
15 subject to Board approval. Any installment payments shall
16 include an annual market interest rate as determined by the
17 Board. All payments by licensees under this subsection (e-15)
18 shall be deposited into the Gaming Facilities Fee Revenue Fund.

19 (e-20) In addition to any other revocation powers granted
20 to the Board under this Act, the Board may revoke the owners
21 license of a licensee which fails to begin conducting gambling
22 within 15 months of receipt of the Board's approval of the
23 application if the Board determines that license revocation is
24 in the best interests of the State.

25 (e-25) The provisions of this subsection (e-25) apply only
26 to an owners licensee of a license issued or re-issued pursuant

1 to Section 7.1 of this Act and if the owners licensee was found
2 preliminarily suitable or suitable by the Board prior to the
3 effective date of this amendatory Act of the 97th General
4 Assembly. The owners licensee shall pay (i) a \$100,000 fee for
5 the issuance or renewal of its license and (ii) an initial fee
6 of \$25,000 per gaming position in place of, and not in addition
7 to, the initial fee required under subsection (h) of this
8 Section. Additionally, the owners licensee shall make a
9 reconciliation payment on July 1, 2016 in an amount equal to
10 75% of the average annual adjusted gross receipts, minus an
11 amount equal to the \$25,000 initial payment per gaming
12 position. If this calculation results in a negative amount,
13 then the owners licensee is not entitled to any reimbursement
14 of fees previously paid. This reconciliation payment may be
15 made in installments over a period of no more than 5 years,
16 subject to Board approval. Any installment payments shall
17 include an annual market interest rate as determined by the
18 Board. All payments by licensees under this subsection (e-25)
19 shall be deposited into the Gaming Facilities Fee Revenue Fund.
20 For any payments required under this Section 7, the owners
21 licensee shall receive (i) a credit for any amounts that the
22 owners licensee has paid to the State or the Board or their
23 agents prior to November 1, 2010 for consultants, licensing
24 fees, up-front fees, or other items and (ii) a credit for the
25 payments that the unit of local government has pledged to remit
26 to the State, which shall be equal to the present value of such

1 payments as determined by the Board in its decision dated
2 January 14, 2009. An owners licensee subject to this subsection
3 (e-25) shall only pay the initial fees required pursuant to
4 this subsection and shall not have to pay any initial fees or
5 payments that were ordered by the Board prior to November 1,
6 2010. However, any payments that have been made by an owners
7 licensee subject to this subsection (e-25) to the State or to
8 the Board or their agents shall remain with the State and the
9 owners licensee shall receive a credit as specified in this
10 subsection (e-25).

11 In the event the owners licensee has made payments on or
12 after November 1, 2010 but prior to the effective date of this
13 amendatory Act of the 97th General Assembly to the State or the
14 Board or their agents towards the amount it bid during the
15 selection process to receive its owners license, then such
16 payments shall be refunded to the owners licensee. The refund
17 shall be in the form of a credit, which shall offset taxes due
18 under Section 12 and Section 13 in the amount of such prior
19 payments to the State or the Board or their agents as such
20 taxes under Section 12 and Section 13 become due, and which
21 credit shall be in addition to any other credit granted in this
22 subsection (e-25) and elsewhere in the Illinois Gambling Act.
23 If any credit granted in this subsection (e-25) is not fully
24 utilized in any given year, then the remainder shall be carried
25 forward to subsequent years until such credit has been fully
26 utilized. Consistent with the provisions contained in this

1 subsection (e-25), the owners licensee shall be treated as
2 having paid the amount of taxes due under Sections 12 and 13
3 without reduction for the credit granted in this subsection
4 (e-25), and the amount of such credit shall be considered a
5 refund of the owners licensee bid amount as such credit is
6 utilized.

7 (f) The first 10 owners licenses issued under this Act
8 shall permit the holder to own up to 2 riverboats and equipment
9 thereon for a period of 3 years after the effective date of the
10 license. Holders of the first 10 owners licenses must pay the
11 annual license fee for each of the 3 years during which they
12 are authorized to own riverboats.

13 (g) Upon the termination, expiration, or revocation of each
14 of the first 10 licenses, which shall be issued for a 3 year
15 period, all licenses are renewable annually upon payment of the
16 fee and a determination by the Board that the licensee
17 continues to meet all of the requirements of this Act and the
18 Board's rules. However, for licenses renewed on or after May 1,
19 1998, renewal shall be for a period of 4 years, unless the
20 Board sets a shorter period. Notwithstanding any provision in
21 this subsection (g) to the contrary, any license that is
22 awarded to the Chicago Casino Development Authority shall not
23 expire, but it shall be subject to the provisions of this Act
24 and the rules of the Board.

25 (h) An owners license, except for an owners license issued
26 under subsection (e-5) of this Section, shall entitle the

1 licensee to own up to 2 riverboats.

2 An owners licensee of a casino or riverboat that is located
3 in the City of Chicago pursuant to subsection (e-5) of this
4 Section shall limit the number of gaming positions to 4,000 for
5 such owners. All other licensees shall limit the number of
6 gaming positions to 1,600 for any such owners license prior to
7 January 1, 2013 and 2,000 gaming positions on or after January
8 1, 2013. The initial fee for each gaming position obtained on
9 or after the effective date of this amendatory Act of the 97th
10 General Assembly shall be \$12,500 for licensees not located in
11 Cook County and \$25,000 for licensees located in Cook County,
12 in addition to the reconciliation payment, as set forth in
13 subsections (e-15), (e-25), or (h-5) of this Section.

14 A licensee may operate both of its riverboats concurrently,
15 provided that the total number of gaming positions on both
16 riverboats does not exceed 1,600 prior to January 1, 2013 and
17 2,000 on or after January 1, 2013. Riverboats licensed to
18 operate on the Mississippi River and the Illinois River south
19 of Marshall County shall have an authorized capacity of at
20 least 500 persons. Any other riverboat licensed under this Act
21 shall have an authorized capacity of at least 400 persons.

22 (h-5) An owners licensee who conducted gambling operations
23 prior to January 1, 2011 and purchases positions under
24 subsection (h) of this Section on or after the effective date
25 of this amendatory Act of the 97th General Assembly must pay an
26 initial fee of \$12,500 per gaming position if the licensee is

1 located outside Cook County and an initial fee of \$25,000 per
2 gaming position if the licensee is located in Cook County, as
3 stated in subsection (h) of this Section. These initial fees
4 shall be deposited into the Gaming Facilities Fee Revenue Fund.
5 Additionally, that owners licensee shall make a reconciliation
6 payment 4 years after any additional gaming positions
7 authorized by subsection (h) begin operating in an amount equal
8 to 75% of the owners licensee's average gross receipts for the
9 most lucrative 12-month period of operations minus an amount
10 equal to \$12,500 or \$25,000 that the owners licensee paid per
11 additional gaming position. For purposes of this subsection
12 (h-5), "average gross receipts" means (i) the increase in
13 adjusted gross receipts for the most lucrative 12-month period
14 of operations over the adjusted gross receipts for 2011,
15 multiplied by (ii) the percentage derived by dividing the
16 number of additional gaming positions that an owners licensee
17 had purchased pursuant to subsection (h) by the total number of
18 gaming positions operated by the owners licensee. If this
19 calculation results in a negative amount, then the owners
20 licensee is not entitled to any reimbursement of fees
21 previously paid. This reconciliation payment may be made in
22 installments over a period of no more than 5 years, subject to
23 Board approval. Any installment payments shall include an
24 annual market interest rate as determined by the Board. These
25 reconciliation payments shall be deposited into the Gaming
26 Facilities Fee Revenue Fund.

1 (h-10) Any positions that are not purchased by a licensed
2 owner as of January 1, 2016 shall be forfeited and retained by
3 the Board and shall be offered in equal amounts to licensed
4 owners who have purchased all of the positions that were
5 offered. This process shall continue until all positions have
6 been purchased. All positions obtained pursuant to this process
7 must be in operation within 18 months after they were obtained
8 or the licensed owner forfeits the right to operate all of the
9 positions, but is not entitled to a refund of any fees paid.

10 The Board may, after holding a public hearing, grant
11 extensions so long as a licensed owner is working in good faith
12 to make the positions operational. The extension may be for a
13 period of 6 months. If, after the period of the extension, a
14 licensed owner has not made the positions operational, then
15 another public hearing must be held by the Board before it may
16 grant another extension.

17 (i) A licensed owner is authorized to apply to the Board
18 for and, if approved therefor, to receive all licenses from the
19 Board necessary for the operation of a riverboat or a casino,
20 including a liquor license, a license to prepare and serve food
21 for human consumption, and other necessary licenses. All use,
22 occupation and excise taxes which apply to the sale of food and
23 beverages in this State and all taxes imposed on the sale or
24 use of tangible personal property apply to such sales aboard
25 the riverboat or in the casino.

26 (j) The Board may issue or re-issue a license authorizing a

1 riverboat to dock in a municipality or approve a relocation
2 under Section 11.2 only if, prior to the issuance or
3 re-issuance of the license or approval, the governing body of
4 the municipality in which the riverboat will dock has by a
5 majority vote approved the docking of riverboats in the
6 municipality. The Board may issue or re-issue a license
7 authorizing a riverboat to dock in areas of a county outside
8 any municipality or approve a relocation under Section 11.2
9 only if, prior to the issuance or re-issuance of the license or
10 approval, the governing body of the county has by a majority
11 vote approved of the docking of riverboats within such areas.

12 (k) An owners licensee may conduct land-based gambling
13 operations upon approval by the Board.

14 (l) An owners licensee may conduct gaming at a temporary
15 facility pending the construction of a permanent facility or
16 the remodeling or relocation of an existing facility to
17 accommodate gaming participants for up to 24 months after the
18 temporary facility begins to conduct gaming. Upon request by an
19 owners licensee and upon a showing of good cause by the owners
20 licensee, the Board shall extend the period during which the
21 licensee may conduct gaming at a temporary facility by up to 12
22 months. The Board shall make rules concerning the conduct of
23 gaming from temporary facilities.

24 (Source: P.A. 95-1008, eff. 12-15-08; 96-1392, eff. 1-1-11;
25 09700SB0744ham001, ham006, and ham007.)

1 (230 ILCS 10/7.6)

2 Sec. 7.6. Electronic gaming.

3 (a) The General Assembly finds that the horse racing and
4 riverboat gambling industries share many similarities and
5 collectively comprise the bulk of the State's gaming industry.
6 One feature common to both industries is that each is highly
7 regulated by the State of Illinois. The General Assembly
8 further finds, however, that despite their shared features each
9 industry is distinct from the other in that horse racing is and
10 continues to be intimately tied to Illinois' agricultural
11 economy and is, at its core, a spectator sport. This
12 distinction requires the General Assembly to utilize different
13 methods to regulate and promote the horse racing industry
14 throughout the State. The General Assembly finds that in order
15 to promote live horse racing as a spectator sport in Illinois
16 and the agricultural economy of this State, it is necessary to
17 allow electronic gaming at Illinois race tracks as an ancillary
18 use given the success of other states in increasing live racing
19 purse accounts and improving the quality of horses
20 participating in horse race meetings.

21 (b) The Illinois Gaming Board shall award one electronic
22 gaming license to each person, firm, or corporation having
23 operating control of a race track that applies under Section 56
24 of the Illinois Horse Racing Act of 1975, subject to the
25 application and eligibility requirements of this Section.
26 Within 60 days after the effective date of this amendatory Act

1 of the 97th General Assembly, a person, firm, or corporation
2 having operating control of a race track may submit an
3 application for an electronic gaming license, except that the
4 Illinois State Fairgrounds Racetrack Authority may submit an
5 application for an electronic gaming license at any time after
6 the effective date of this amendatory Act of the 97th General
7 Assembly. The application shall specify the number of gaming
8 positions the applicant intends to use and the place where the
9 electronic gaming facility will operate.

10 The Board shall determine within 120 days after receiving
11 an application for an electronic gaming license, whether to
12 grant an electronic gaming license to the applicant. If the
13 Board does not make a determination within that time period,
14 then the Board shall give a written explanation to the
15 applicant as to why it has not reached a determination and when
16 it reasonably expects to make a determination.

17 The electronic gaming licensee shall purchase up to the
18 amount of electronic gaming positions authorized under this Act
19 within 120 days after receiving its electronic gaming license.
20 If an electronic gaming licensee is prepared to purchase the
21 electronic gaming positions, but is temporarily prohibited
22 from doing so by order of a court of competent jurisdiction or
23 the Board, then the 120-day period is tolled until a resolution
24 is reached.

25 An electronic gaming license shall authorize its holder to
26 conduct electronic gaming at its race track at the following

1 times:

2 (1) On days when it conducts live racing at the track
3 where its electronic gaming facility is located, from 8:00
4 a.m. until 3:00 a.m. on the following day.

5 (2) On days when it is scheduled to conduct simulcast
6 wagering on races run in the United States, from 8:00 a.m.
7 until 3:00 a.m. on the following day.

8 Additionally, the Board may extend these days of operation
9 and hours upon request by an organization licensee as the Board
10 sees fit.

11 A license to conduct electronic gaming and any renewal of
12 an electronic gaming license shall authorize electronic gaming
13 for a period of 4 years. The fee for the issuance or renewal of
14 an electronic gaming license shall be \$100,000.

15 (c) To be eligible to conduct electronic gaming, a person,
16 firm, or corporation having operating control of a race track
17 must (i) obtain an electronic gaming license, (ii) hold an
18 organization license under the Illinois Horse Racing Act of
19 1975, (iii) hold an inter-track wagering license, (iv) pay an
20 initial fee of \$25,000 per gaming position from electronic
21 gaming licensees where electronic gaming is conducted in Cook
22 County and \$12,500 for electronic gaming licensees where
23 electronic gaming is located outside of Cook County before
24 beginning to conduct electronic gaming plus make the
25 reconciliation payment required under subsection (i), (v)
26 conduct at least 240 live races at each track per year, (vi)

1 meet the requirements of subsection (a) of Section 56 of the
2 Illinois Horse Racing Act of 1975, (vii) for organization
3 licensees conducting standardbred race meetings that had an
4 open backstretch in 2009, keep backstretch barns and
5 dormitories open and operational year-round unless a lesser
6 schedule is mutually agreed to by the organization licensee and
7 the horsemen's association racing at that organization
8 licensee's race meeting, (viii) for organization licensees
9 conducting thoroughbred race meetings, the organization
10 licensee must maintain accident medical expense liability
11 insurance coverage of \$1,000,000 for jockeys, ~~and~~ (ix) meet all
12 other requirements of this Act that apply to owners licensees,
13 and (x) provide for the least amount of cannibalization of
14 existing licensees', including owners licensees', revenues
15 generated pursuant to this Act. For the purposes of this
16 subsection (c), "cannibalization" means the diversion of
17 revenues generated pursuant to this Act from existing
18 licensees, including owners licensees, by an owners licensee
19 authorized under this Act. In determining whether
20 cannibalization exists, the Board shall also consider the
21 extent to which the applicant can attract from market areas of
22 neighboring states. Only those persons, firms, or corporations
23 (or its successors or assigns) that had operating control of a
24 race track and held an inter-track wagering license authorized
25 by the Illinois Racing Board in 2009 are eligible, except that
26 this provision shall not apply to the Illinois State

1 Fairgrounds Racetrack Authority.

2 An electronic gaming license may enter into a joint venture
3 with a licensed owner to own, manage, conduct, or otherwise
4 operate the electronic gaming licensee's electronic gaming
5 facilities, unless the electronic gaming licensee has a parent
6 company or other affiliated company that is, directly or
7 indirectly, wholly owned by a parent company that is also
8 licensed to conduct electronic gaming, casino gaming, or their
9 equivalent in another state.

10 All payments by licensees under this subsection (c) shall
11 be deposited into the Gaming Facilities Fee Revenue Fund.

12 (d) The Board may approve electronic gaming positions
13 statewide as provided in this Section. The authority to operate
14 electronic gaming positions under this Section shall be
15 allocated as follows: up to 1,200 gaming positions for any
16 electronic gaming licensee in Cook County and up to 900 gaming
17 positions for any electronic gaming licensee outside of Cook
18 County.

19 (e) Any positions that are not obtained by an organization
20 licensee, other than the Illinois State Fairgrounds Racetrack
21 Authority, shall be retained by the Gaming Board and shall be
22 offered in equal amounts to organization licensees who have
23 purchased all of the positions that were offered. This process
24 shall continue until all positions have been purchased. All
25 positions obtained pursuant to this process must be in
26 operation within 18 months after they were obtained or the

1 organization licensee forfeits the right to operate all of the
2 positions, but is not entitled to a refund of any fees paid.
3 The Board may, after holding a public hearing, grant extensions
4 so long as an organization licensee is working in good faith to
5 begin conducting electronic gaming. The extension may be for a
6 period of 6 months. If, after the period of the extension, a
7 licensee has not begun to conduct electronic gaming, another
8 public hearing must be held by the Board before it may grant
9 another extension.

10 (f) Subject to the approval of the Illinois Gaming Board,
11 an electronic gaming licensee may make modification or
12 additions to any existing buildings and structures to comply
13 with the requirements of this Act. The Illinois Gaming Board
14 shall make its decision after consulting with the Illinois
15 Racing Board. In no case, however, shall the Illinois Gaming
16 Board approve any modification or addition that alters the
17 grounds of the organizational licensee such that the act of
18 live racing is an ancillary activity to electronic gaming.
19 Electronic gaming may take place in existing structures where
20 inter-track wagering is conducted at the race track or a
21 facility within 300 yards of the race track in accordance with
22 the provisions of this Act and the Illinois Horse Racing Act of
23 1975.

24 (g) An electronic gaming licensee may conduct electronic
25 gaming at a temporary facility pending the construction of a
26 permanent facility or the remodeling or relocation of an

1 existing facility to accommodate electronic gaming
2 participants for up to 24 months after the temporary facility
3 begins to conduct electronic gaming. Upon request by an
4 electronic gaming licensee and upon a showing of good cause by
5 the electronic gaming licensee, the Board shall extend the
6 period during which the licensee may conduct electronic gaming
7 at a temporary facility by up to 12 months. The Board shall
8 make rules concerning the conduct of electronic gaming from
9 temporary facilities.

10 Electronic gaming may take place in existing structures
11 where inter-track wagering is conducted at the race track or a
12 facility within 300 yards of the race track in accordance with
13 the provisions of this Act and the Illinois Horse Racing Act of
14 1975. Any electronic gaming conducted at a permanent facility
15 within 300 yards of the race track in accordance with this Act
16 and the Illinois Horse Racing Act of 1975 shall have an
17 all-weather egress connecting the electronic gaming facility
18 and the race track facility or, on days and hours of live
19 racing, a complimentary shuttle service between the permanent
20 electronic gaming facility and the race track facility and
21 shall not charge electronic gaming participants an additional
22 admission fee to the race track facility.

23 (h) The Illinois Gaming Board must adopt emergency rules in
24 accordance with Section 5-45 of the Illinois Administrative
25 Procedure Act as necessary to ensure compliance with the
26 provisions of this amendatory Act of the 97th General Assembly

1 concerning electronic gaming. The adoption of emergency rules
2 authorized by this subsection (h) shall be deemed to be
3 necessary for the public interest, safety, and welfare.

4 (i) Each electronic gaming licensee who obtains electronic
5 gaming positions must make a reconciliation payment 4 years
6 after the date the electronic gaming licensee begins operating
7 the positions in an amount equal to 75% of the difference
8 between its adjusted gross receipts from electronic gaming and
9 amounts paid to its purse accounts pursuant to item (1) of
10 subsection (b) of Section 56 of the Illinois House Racing Act
11 of 1975 for the 12-month period for which such difference was
12 the largest, minus an amount equal to the initial \$25,000 or
13 \$12,500 per electronic gaming position initial payment. If this
14 calculation results in a negative amount, then the electronic
15 gaming licensee is not entitled to any reimbursement of fees
16 previously paid. This reconciliation payment may be made in
17 installments over a period of no more than 5 years, subject to
18 Board approval. Any installment payments shall include an
19 annual market interest rate as determined by the Board.

20 All payments by licensees under this subsection (i) shall
21 be deposited into the Gaming Facilities Fee Revenue Fund.

22 (j) As soon as practical after a request is made by the
23 Illinois Gaming Board, to minimize duplicate submissions by the
24 applicant, the Illinois Racing Board must provide information
25 on an applicant for an electronic gaming license to the
26 Illinois Gaming Board.

1 (k) Subject to the approval of the Illinois Gaming Board,
2 an organization licensee that has received an electronic gaming
3 license under this Act and has operating control of a race
4 track facility located in Cook County may relocate its race
5 track facility as follows:

6 (1) the organization licensee may relocate within a
7 3-mile radius of its existing race track facility so long
8 as the organization licensee remains in Cook County and
9 submits its plan to construct a new structure to conduct
10 electronic gaming operations; and

11 (2) the organization licensee may not relocate within a
12 5-mile radius of a riverboat if the owners license was
13 issued prior to December 31, 2011.

14 The relocation must include the race track facility, including
15 the race track operations used to conduct live racing and the
16 electronic gaming facility in its entirety. For the purposes of
17 this subsection (k), "race track facility" means all operations
18 conducted on the race track property for which it was awarded a
19 license for pari-mutuel wagering and live racing in the year
20 2010, except for the real estate itself. The Illinois Gaming
21 Board shall make its decision after consulting with the
22 Illinois Racing Board, and any relocation application shall be
23 subject to all of the provisions of this Act and the Illinois
24 Horse Racing Act of 1975.

25 (Source: 09700SB0744ham001.)

1 (230 ILCS 10/11.2)

2 Sec. 11.2. Relocation of riverboat home dock.

3 (a) A licensee that was not conducting riverboat gambling
4 on January 1, 1998 may apply to the Board for ~~renewal and~~
5 approval of relocation to a new home dock location authorized
6 under Section 3(c) upon renewal of the license and the Board
7 shall grant the application and approval (i) upon receipt by
8 the licensee of approval from the new municipality or county,
9 as the case may be, in which the licensee wishes to relocate
10 pursuant to Section 7(j) and (ii) upon the determination that
11 the new home dock provides for the least amount of
12 cannibalization, as defined in subsection (e) of Section 7, of
13 an existing licensee's revenues generated pursuant to this Act.

14 (b) Any licensee that relocates its home dock pursuant to
15 this Section shall attain a level of at least 20% minority
16 person and female ownership, at least 16% and 4% respectively,
17 within a time period prescribed by the Board, but not to exceed
18 12 months from the date the licensee begins conducting gambling
19 at the new home dock location. The 12-month period shall be
20 extended by the amount of time necessary to conduct a
21 background investigation pursuant to Section 6. For the
22 purposes of this Section, the terms "female" and "minority
23 person" have the meanings provided in Section 2 of the Business
24 Enterprise for Minorities, Females, and Persons with
25 Disabilities Act.

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law or on the date Senate Bill 744 of the 97th General
3 Assembly takes effect, whichever is later.