

**State of Illinois  
91st General Assembly  
Final Senate Journal**

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4184

JOURNAL OF THE

[May 24, 1999]

SENATE JOURNAL

STATE OF ILLINOIS

NINETY-FIRST GENERAL ASSEMBLY

51ST LEGISLATIVE DAY

MONDAY, MAY 24, 1999

3:00 O'CLOCK P.M.

The Senate met pursuant to adjournment.  
Honorable James "Pate" Philip, Wood Dale, Illinois, presiding.  
Prayer by Senator Adeline Geo-Karis, Zion, Illinois.  
Senator Sieben led the Senate in the Pledge of Allegiance.

The Journal of Wednesday, May 12, 1999, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Thursday, May 13, 1999, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Friday, May 14, 1999, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Monday, May 17, 1999, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Tuesday, May 18, 1999, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Wednesday, May 19, 1999, was being read when on

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SENATE

4185

motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Thursday, May 20, 1999, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

Senator Myers moved that reading and approval of the Journal of Friday, May 21, 1999 be postponed pending arrival of the printed Journal.

The motion prevailed.

#### **REPORT RECEIVED**

The Secretary placed before the Senate the following report:

A report on the Human Services Plan, Fiscal Years 1998-2000, submitted by the Department of Corrections.

The foregoing report was ordered received and placed on file in the Secretary's Office.

#### **MESSAGE FROM THE HOUSE OF REPRESENTATIVES**

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1017

A bill for AN ACT in relation to gaming.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 3 to SENATE BILL NO. 1017

House Amendment No. 5 to SENATE BILL NO. 1017

Passed the House, as amended, May 21, 1999.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 3 TO SENATE BILL 1017

AMENDMENT NO. 3. Amend Senate Bill 1017 by replacing the title with the following:

"AN ACT in relation to gambling, amending named Acts."; and by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Sections 5.490, 5.491, and 5.492 as follows:

(30 ILCS 105/5.490 new)

Sec. 5.490. The Horse Racing Equity Fund.

(30 ILCS 105/5.491 new)

Sec. 5.491. The Illinois Racing Quarterhorse Breeders Fund.

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4186

JOURNAL OF THE

[May 24, 1999]

(30 ILCS 105/5.492 new)

Sec. 5.492. The Horse Racing Fund.

Section 10. The Illinois Horse Racing Act of 1975 is amended by changing Sections 3.04, 3.075, 14, 15, 18, 20, 21, 26, 26.1, 27, 27.1, 28, 29, and 30 and adding Sections 1.2, 1.3, 20.1, 28.1, 30.5, 32.1, 54, and 55 as follows:

(230 ILCS 5/1.2 new)

Sec. 1.2. Legislative intent. This Act is intended to benefit the people of the State of Illinois by assisting economic development and promoting Illinois tourism. The General Assembly finds and declares it to be the public policy of the State of Illinois to:

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

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

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

(d) promote the further growth of tourism;

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

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

(230 ILCS 5/1.3 new)

Sec. 1.3. Legislative findings.

(a) The General Assembly finds that the Illinois gaming industry is a single industry consisting of horse racing and riverboat gambling. Reports issued by the legislative Economic and Fiscal

Commission in 1992, 1994, and 1998 have found that horse racing and riverboat gambling:

- (1) "share many of the same characteristics" and are "more alike than different";
- (2) are planned events;
- (3) have similar odds of winning;
- (4) occur in similar settings; and
- (5) compete with each other for limited gaming dollars.

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

(230 ILCS 5/3.04) (from Ch. 8, par. 37-3.04)

Sec. 3.04. "Director of mutuels" means the individual representing the Board in the supervision and verification of the pari-mutuel wagering pool totals for each racing day, which verification shall be the basis for computing State privilege or pari-mutuel taxes, licensee commissions and purses.

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

(230 ILCS 5/3.075)

Sec. 3.075. (a) "Host track" means the organization licensee (i) conducting live thoroughbred racing between the hours of 6:30 a.m. and 6:30 p.m. from the first day to the last day of its horse racing meet as awarded by the Board (including all days within that period when no live racing occurs), except as otherwise provided in subsections (c) and (e) of this Section, or (ii) conducting live standardbred racing between the hours of 6:30 p.m. to 6:30 a.m. of the following day from the first day to the last day of its horse racing meet as awarded by the Board (including all days within that period when no live racing occurs, except as otherwise provided in subsections (b), (d), and (e) of this Section); provided that the organization licensee conducts live racing no fewer than 5 days per week with no fewer than 9 races per day, unless a lesser schedule of

live racing is the result of (1) weather, unsafe track conditions, or other acts of God; (2) an agreement between the organization licensee and the associations representing the largest number of owners, trainers, and standardbred drivers who race horses at that organization licensee's race meeting, with the Board's consent; or (3) a decision by the Board after a public hearing (in which the associations representing the owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's race meeting shall participate) either at the time racing dates are awarded or after those dates are awarded due to changed financial circumstances, upon a written petition from the organization licensee, accompanied by supporting financial data as requested by the Board, stating that the organization licensee has and will continue to incur significant financial losses. No organization licensee conducting its race meeting in a county bordering the Mississippi River and having a population greater than 230,000 may be a host track for its race meeting.

~~(b) (Blank). Notwithstanding the provisions of subsection (a) of this Section, any organization licensee that conducts a standardbred race meeting fewer than 5 days per week between the hours of 6:30~~

~~p.m. and 6:30 a.m. prior to December 31, 1995 in a county with a population of less than 1,000,000 and contiguous to the State of Indiana may be deemed a host track during those hours on days when no other organization licensee is conducting a standardbred race meeting during those hours.~~

~~(c) (Blank). In the event 2 organization licensees are conducting thoroughbred race meetings concurrently between the hours of 6:30 a.m. and 6:30 p.m., the organization licensee with the most race dates between the hours of 6:30 a.m. and 6:30 p.m. awarded by the Board for that year shall be designated the host track.~~

(d) Notwithstanding the provisions of subsection (a) of this Section and except as otherwise provided in subsection (e) of this Section, in the event that 2 organization licensees conduct their standardbred race meetings concurrently on any date after January 1, 1996, between the hours of 6:30 p.m. and 6:30 a.m., the organization licensee awarded the most racing dates between 6:30 p.m. and 6:30 a.m. during the calendar year in which that concurrent racing occurs will be deemed the host track, provided that the 2 organization licensees collectively conduct live standardbred racing between 6:30 p.m. and 6:30 a.m. during the week in which concurrent race meetings occur no less than 5 days per week with no less than 9 races per day. During each week of the calendar year in which 2 organization licensees are conducting live standardbred race meetings between 6:30 p.m. and 6:30 a.m., if there is any day in that week on which only one organization licensee is conducting a standardbred race meeting between 6:30 p.m. and 6:30 a.m., that organization licensee shall be the host track provided that the 2 organization licensees collectively conduct live standardbred racing between 6:30 p.m. and 6:30 a.m. during the week in which concurrent race meetings occur no less than 5 days per week with no less than 9 races per day. During each week of the calendar year in which 2 organization licensees are concurrently conducting live standardbred race meetings on one or more days between 6:30 p.m. and 6:30 a.m., if there is any day in that week on which no organization licensee is conducting a standardbred race meeting between 6:30 p.m. and 6:30 a.m., the organization licensee conducting a standardbred race meeting during that week and time period that has been awarded the most racing dates during the calendar year between 6:30 p.m. and 6:30 a.m. shall be the host track, provided that the 2 organization licensees collectively conduct live standardbred racing between 6:30 p.m. and 6:30 a.m. during the week in which concurrent race meetings occur no less than

5 days per week with no less than 9 races per day. The requirement in this subsection (d) that live racing be conducted no less than 5 days per week with no less than 9 races per day shall be subject to exceptions set forth in items (1), (2), and (3) of subsection (a) of Section 3.075.

(e) During any calendar period in which no organization licensee has been awarded a thoroughbred race meeting, the host track, between the hours of 6:30 a.m. and 6:30 p.m. of such period, shall be an organization licensee determined by the Board, provided the organization licensee has been awarded a thoroughbred race meeting in the current year and is eligible to be a host track. During the

~~period from January 1 to the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois, the host track between 6:30 a.m. and 6:30 p.m. during this period of the year from the first day to the last day of its race meeting including all days when it does not conduct live racing between 6:30 a.m. and 6:30 p.m. is the organization licensee that conducts live standardbred racing between 6:30 a.m. and 6:30 p.m. during the week in which its race meeting occurs, provided that the organization licensee conducts live standardbred racing no less than 5 days per week with no less than 9 races per day. If 2 organization licensees are conducting standardbred race meetings concurrently on any day or on different days within the same week between the hours of 6:30 a.m. and 6:30 p.m. during the period from January 1 to the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, the host track shall be the organization licensee with the most race dates awarded by the Board between 6:30 a.m. and 6:30 p.m. for this period and shall be deemed the host track from the first day to the last day of its race meeting during this period including all days within the period when no live racing occurs, provided that the 2 organization licensees collectively conduct live standardbred racing between 6:30 a.m. and 6:30 p.m. during the week in which concurrent race meetings occur no less than 5 days per week with no less than 9 races per day. If 2 organization licenses are conducting standardbred race meetings concurrently on any day between the hours of 6:30 p.m. and 6:30 a.m. of January 1 to the third Friday in February, inclusive, the host track shall be the organization licensee with the most race dates awarded by the Board between 6:30 p.m. and 6:30 a.m. during this period, provided that the 2 organization licensees collectively conduct live standardbred racing between 6:30 p.m. and 6:30 a.m. during the week in which concurrent race meetings occur no less than 5 days per week with no less than 9 races per day. The requirement in this subsection (e) that live racing be conducted no less than 5 days per week with no less than 9 races per day shall be subject to exceptions set forth in subsections (1), (2), and (3) of subsection (a) of Section 3.075. (Source: P.A. 89-16, eff. 5-30-95.)~~

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

Sec. 14. (a) The Board shall hold regular and special meetings at such times and places as may be necessary to perform properly and effectively all duties required under this Act. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that upon order of the Board one of the Board members may conduct the hearing provided in Section 16. The Board member conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case.

(b) The Board shall obtain a court reporter who will be present at each regular and special meeting and proceeding and who shall

make accurate transcriptions thereof except that when in the judgment of the Board an emergency situation requires a meeting by teleconference, the executive director shall prepare minutes of the meeting indicating the date and time of the meeting and which members of the Board were present or absent, summarizing all matters proposed, deliberated, or decided at the meeting, and indicating the results of all votes taken. The public shall be allowed to listen to the proceedings of that meeting at all Board branch offices.

(c) The Board shall provide records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings.

(d) The Board shall file a written annual report with the Governor on or before March 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, a report on the industry's progress toward the policy objectives established in Section 1.2 of this Act, and any additional information and recommendations which the Board may deem valuable or which the Governor may request.

(e) The Board shall maintain a branch office on the ground of every organization licensee during the organization licensee's race meeting, which office shall be kept open throughout the time the race meeting is held. The Board shall designate one of its members, or an authorized agent of the Board who shall have the authority to act for the Board, to be in charge of the branch office during the time it is required to be kept open.

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

(230 ILCS 5/15) (from Ch. 8, par. 37-15)

Sec. 15. (a) The Board shall, in its discretion, issue occupation licenses to horse owners, trainers, harness drivers, jockeys, agents, apprentices, grooms, stable foremen, exercise persons, veterinarians, valets, blacksmiths, concessionaires and others designated by the Board whose work, in whole or in part, is conducted upon facilities within the State. Such occupation licenses will be obtained prior to the persons engaging in their vocation upon such facilities. The Board shall not license pari-mutuel clerks, parking attendants, security guards and employees of concessionaires. No occupation license shall be required of any person who works at facilities within this State as a pari-mutuel clerk, parking attendant, security guard or as an employee of a concessionaire. Concessionaires of the Illinois State Fair and DuQuoin State Fair and employees of the Illinois Department of Agriculture shall not be required to obtain an occupation license by the Board.

(b) Each application for an occupation license shall be on forms prescribed by the Board. Such license, when issued, shall be for the period ending December 31 of each year, except that the Board in its discretion may grant 3-year licenses. The application shall be accompanied by a fee of not more than \$25 per year or, in the case of 3-year occupation license applications, a fee of not more than \$60. Each applicant shall set forth in the application his full name and address, and if he had been issued prior occupation licenses or has been licensed in any other state under any other name, such name, his age, whether or not a permit or license issued to him in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the Board may require. Fees for registration of

stable names shall not exceed \$50.00.

(c) The Board may in its discretion refuse an occupation license

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4190

JOURNAL OF THE

[May 24, 1999]

to any person:

(1) who has been convicted of a crime;

(2) who is unqualified to perform the duties required of such applicant;

(3) who fails to disclose or states falsely any information called for in the application;

(4) who has been found guilty of a violation of this Act or of the rules and regulations of the Board; or

(5) whose license or permit has been suspended, revoked or denied for just cause in any other state.

(d) The Board may suspend or revoke any occupation license:

(1) for violation of any of the provisions of this Act; or

(2) for violation of any of the rules or regulations of the Board; or

(3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license; or

(4) for any other just cause.

(e) Each applicant for licensure shall submit with his occupation license application, on forms provided by the Board, 2 sets of his fingerprints. All such applicants shall appear in person at the location designated by the Board for the purpose of submitting such sets of fingerprints; however, with the prior approval of a State steward, an applicant may have such sets of fingerprints taken by an official law enforcement agency and submitted to the Board.

The Board shall cause one set of such fingerprints to be compared with fingerprints of criminals now or hereafter filed in the records of the Illinois Department of State Police. The Board shall also cause such fingerprints to be compared with fingerprints of criminals now or hereafter filed in the records of other official fingerprint files within or without this State.

The Board may, in its discretion, require the applicant to pay a fee for the purpose of having his fingerprints processed. The fingerprint processing fee shall be set annually by the Director of State Police, based upon actual costs.

(f) The Board may, in its discretion, issue an occupation license without submission of fingerprints if an applicant has been duly licensed in another recognized racing jurisdiction ~~state~~ after submitting fingerprints in that jurisdiction ~~state~~.

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

(230 ILCS 5/18) (from Ch. 8, par. 37-18)

Sec. 18. (a) Together with its application, each applicant for racing dates shall deliver to the Board a certified check or bank draft payable to the order of the Board for \$1,000. In the event the applicant applies for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21, the fee shall be \$2,000. Filing fees shall not be refunded in the event the application is denied.

(b) In addition to the filing fee of \$1000 and the fees provided in subsection (j) of Section 20, each organization licensee shall pay

a license fee of \$100 for each racing program on which its daily pari-mutuel handle is \$400,000 or more but less than \$700,000, and a license fee of \$200 for each racing program on which its daily pari-mutuel handle is \$700,000 or more. The additional fees required to be paid under this Section by this amendatory Act of 1982 shall be remitted by the organization licensee to the Illinois Racing Board with each day's graduated privilege tax or pari-mutuel tax and breakage as provided under Section 27.

(c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois Municipal Code," approved May 29, 1961, as now or hereafter amended, shall not apply to any license under this Act.

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SENATE

4191

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

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

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

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

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

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

and

(4) any other information the Board may reasonably require.

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

(c) The application shall specify the name of the persons, association, trust, or corporation making such application and the post office address of the applicant; if the applicant is a trustee, the names and addresses of the beneficiaries; if a corporation, the names and post office addresses of all officers, stockholders and directors; or if such stockholders hold stock as a nominee or fiduciary, the names and post office addresses of these persons, partnerships, corporations, or trusts who are the beneficial owners thereof or who are beneficially interested therein; and if a partnership, the names and post office addresses of all partners, general or limited; if the applicant is a corporation, the name of the state of its incorporation shall be specified.

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

(e) With such application there shall be delivered to the Board

a certified check or bank draft payable to the order of the Board for an amount equal to \$1,000. All applications for the issuance of an organization license shall be filed with the Board before August 1 of the year prior to the year for which application ~~for race dates~~ is made and shall be acted upon by the Board at a meeting to be held on such date as shall be fixed by the Board during the last 15 days of September of such prior year ~~provided, however, that for applications for 1996 racing dates, applications shall be filed prior to September 1, 1995.~~ At such meeting, the Board shall announce the award of the racing meets, live racing schedule, and designation of host track to the applicants and its approval or disapproval of each application. ~~to respective applicants racing dates for the year or years but~~ No announcement shall be considered binding until a formal order is executed by the Board, which shall be executed no later than October 15 of that prior year. Absent the agreement of the affected organization licensees, the Board shall not grant overlapping race meetings to 2 or more tracks that are within 100 miles of each other to conduct the thoroughbred racing.

(e-5) In reviewing an application for the purpose of granting an organization license consistent with the best interests of the public

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and the sport of horse racing, the Board shall consider:

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

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

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

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

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

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

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

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

(7) an agreement, if any, among organization licensees as provided in subsection (b) of Section 21 of this Act; and

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

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

(e-10) The Illinois Administrative Procedure Act shall apply to

administrative procedures of the Board under this Act for the granting of an organization license, except that (1) notwithstanding the provisions of subsection (b) of Section 10-40 of the Illinois Administrative Procedure Act regarding cross-examination, the Board may prescribe rules limiting the right of an applicant or participant in any proceeding to award an organization license to conduct cross-examination of witnesses at that proceeding where that cross-examination would unduly obstruct the timely award of an organization license under subsection (e) of Section 20 of this Act; (2) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act; (3) notwithstanding the provisions of subsection (a) of Section 10-60 of the Illinois Administrative Procedure Act regarding ex parte communications, the Board may prescribe rules allowing ex parte communications with applicants or participants in a proceeding to award an organization license where conducting those communications would be in the best interest of racing, provided all those communications are made part of the record of that proceeding pursuant to subsection (c) of Section 10-60 of the Illinois Administrative Procedure Act; (4) the provisions of Section 14a of this Act and the rules of the Board promulgated under that Section shall apply instead of the provisions of Article 10 of the Illinois Administrative Procedure Act regarding administrative law judges; and (5) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that prevent summary suspension of a license pending revocation or other action shall not apply.

(f) The Board may allot racing dates to an organization licensee for more than one calendar year but for no more than 3 successive calendar years in advance, provided that the Board shall review such

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allotment for more than one calendar year prior to each year for which such allotment has been made. The granting of an organization license to a person constitutes a privilege to conduct a horse race meeting under the provisions of this Act, and no person granted an organization license shall be deemed to have a vested interest, property right, or future expectation to receive an organization license in any subsequent year as a result of the granting of an organization license. Organization licenses shall be subject to revocation if the organization licensee has violated any provision of this Act or the rules and regulations promulgated under this Act or has been convicted of a crime or has failed to disclose or has stated falsely any information called for in the application for an organization license. Any organization license revocation proceeding shall be in accordance with Section 16 regarding suspension and revocation of occupation licenses.

(f-5) If, (i) an applicant does not file an acceptance of the racing dates awarded by the Board as required under part (1) of subsection (h) of this Section 20, or (ii) an organization licensee has its license suspended or revoked under this Act, the Board, upon conducting an emergency hearing as provided for in this Act, may reaward on an emergency basis pursuant to rules established by the Board, racing dates not accepted or the racing dates associated with any suspension or revocation period to one or more organization

licensees, new applicants, or any combination thereof, upon terms and conditions that the Board determines are in the best interest of racing, provided, the organization licensees or new applicants receiving the awarded racing dates file an acceptance of those reawarded racing dates as required under paragraph (1) of subsection (h) of this Section 20 and comply with the other provisions of this Act. The Illinois Administrative Procedures Act shall not apply to the administrative procedures of the Board in conducting the emergency hearing and the reallocation of racing dates on an emergency basis.

(g) (Blank).

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

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

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

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

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

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

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

(Source: P.A. 88-495; 89-16, eff. 5-30-95; 89-626, eff. 8-9-96.)

(230 ILCS 5/20.1 new)

Sec. 20.1. Authority of licensees.

(a) Notwithstanding anything in this Act to the contrary, an organization licensee shall have authority to:

(1) determine prices charged for goods and services;

(2) determine prices charged for wagering products, subject to Sections 26 and 26.2 of this Act;

(3) determine its hours of operation, subject to at least 30 days prior notice to the Board if such hours are different than provided such licensee's racing dates application; and

(4) otherwise manage its business operations.

(b) The Board may disapprove of any business practices by organization licensees identified in subsection (a) of this Section if the Board finds that such practices are detrimental to the public interest.

(230 ILCS 5/21) (from Ch. 8, par. 37-21)

Sec. 21. (a) Applications for organization licenses must be filed with the Board at a time and place prescribed by the rules and regulations of the Board. The Board shall examine the applications within 21 days after the date allowed for filing with respect to their conformity with this Act and such rules and regulations as may

be prescribed by the Board. If any application does not comply with this Act or the rules and regulations prescribed by the Board, such application may be rejected and an organization license refused to the applicant, or the Board may, within 21 days of the receipt of such application, advise the applicant of the deficiencies of the application under the Act or the rules and regulations of the Board, and require the submittal of an amended application within a reasonable time determined by the Board; and upon submittal of the amended application by the applicant, the Board may consider the application consistent with the process described in subsection (e-5) of Section 20 of this Act. If it is found to be in compliance with this Act and the rules and regulations of the Board, the Board may then issue an organization license to such applicant.

(b) The Board may exercise discretion in granting racing dates to qualified applicants different from those requested by the applicants in their applications. However, If all eligible applicants for organization licenses whose tracks are located within 100 miles of each other execute and submit to the Board a written agreement among such applicants as to the award of racing dates, including where applicable racing programs, for up to 3 consecutive years, then subject to annual review of each applicant's compliance with Board rules and regulations, provisions of this Act and conditions contained in annual dates orders issued by the Board, the Board may grant such dates and programs to such applicants as so agreed by them if the Board determines that the grant of these racing dates is in the best interests of racing. The Board shall treat any such agreement as the agreement signatories' joint and several application for racing dates during the term of the agreement.

(c) Where 2 or more applicants propose to conduct horse race meetings within 35 miles of each other, as certified to the Board under Section 19 (a) (1) of this Act, on conflicting dates, the Board may determine and grant the number of racing days to be awarded to the several applicants in accordance with the provisions of subsection (e-5) of Section 20 of this Act.

(d) (Blank).

(e) Prior to the issuance of an organization license, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$200,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon the payment by the organization licensee of all taxes due under Section 27, other monies due and payable under this Act, all purses due and payable, and that the organization licensee will upon presentation of the winning ticket or tickets distribute all sums due to the patrons of pari-mutuel pools.

(f) Each organization license shall specify the person to whom it is issued, the dates upon which horse racing is permitted, and the location, place, track, or enclosure where the horse race meeting is

to be held.

(g) Any person who owns one or more race tracks within the State may seek, in its own name, a separate organization license for each race track.

(h) All racing conducted under such organization license is

subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such organization license issued by the Board shall contain a recital to that effect.

(i) Each such organization licensee may provide that at least one race per day may be devoted to the racing of quarter horses, appaloosas, arabians, or paints.

(j) In acting on applications for organization licenses, the Board shall give weight to an organization license which has implemented a good faith affirmative action effort to recruit, train and upgrade minorities in all classifications within the organization license.

(Source: P.A. 89-16, eff. 5-30-95; 90-754, eff. 1-1-99.)

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

Sec. 26. Wagering.

(a) Any licensee may conduct and supervise the pari-mutuel system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or conducted at a racetrack located in another state or country and televised in Illinois in accordance with subsection (g) of Section 26 of this Act. Subject to the prior consent of the Board, licensees may supplement any pari-mutuel pool in order to guarantee a minimum distribution. Such pari-mutuel method of wagering shall not, under any circumstances if conducted under the provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary notwithstanding. Subject to rules for advance wagering promulgated by the Board, any licensee may accept wagers ~~up to 2 calendar days~~ in advance of the day of the race wagered upon occurs.

(b) No other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.

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

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

(c-5) Beginning January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be

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evenly distributed to the purse account of the organization licensee and the organization licensee.

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

(e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.

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

An organization licensee may permit one or more of its races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual signals of races the organization licensee conducts to one or more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined with its gross or net wagering pools or with wagering pools established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees shall carry the host track simulcast program and accept wagers on all races included as part of the simulcast program upon which wagering is permitted. The costs and expenses of the host track and non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate

simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. The interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

(1) Between the hours of 6:30 a.m. and 6:30 p.m. an intertrack wagering licensee other than the host track may

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SENATE

4197

supplement the host track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any year, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, only thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may be transmitted from an intertrack wagering licensee to its affiliated non-host licensees. The interstate commission fee for a supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.

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

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

(4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending racetracks pursuant to rules established by the Board. All licensees combining their gross ~~or net pools with~~ pools at a sending racetrack shall adopt the take-out percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may

permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

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

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

(B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the

~~State of Illinois wagers made at a non-host licensee other than as provided in subparagraph (C) of paragraph (5) of this subsection (g) and paragraph (11) of this subsection (g), 25% to the host track, 25% to the non-host licensee, and 50% to the purses at the host track.~~

~~(C) For interstate simulcast wagers made on a supplemental interstate simulcast, 25% to the host track, 25% to the non-host licensee from which the interstate commission fee shall be paid, and 50% to the purses at the host track.~~

~~(D) For interstate simulcast wagers on a standardbred race or races made at a host track between the hours of 6:30 a.m. and 6:30 p.m. between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, 50% to the host track and 50% to standardbred purses at the host track.~~

~~(E) For interstate simulcast wagers on a standardbred race or races made at a non-host licensee between the hours of 6:30 a.m. and 6:30 p.m. between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, 25% to the host track, 25% to the non-host licensee, and 50% to standardbred purses at the host track.~~

~~(F) For interstate simulcast wagers on a thoroughbred race or races at a host track between the hours of 6:30 a.m. and 6:30 p.m. between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, 50% to the host track and 50% to the host track's interstate simulcast purse pool to be distributed under paragraph (9) of this subsection (g).~~

~~(G) For interstate simulcast wagers on a thoroughbred race or races at a non-host licensee between the hours of 6:30 a.m. and 6:30 p.m. between January 1 and the third Friday in February, inclusive, if no live thoroughbred~~

~~raciing is occurring in Illinois during this period, 25% to the host track, 25% to the non-host licensee, and 50% to the host track's interstate simulcast purse pool to be distributed under paragraph (9) of this subsection (g).~~

~~(H) For supplemental interstate simulcast wagers on a thoroughbred race or races at a non-host licensee between the hours of 6:30 a.m. and 6:30 p.m. between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, 50% to the non-host licensee and 50% to thoroughbred purses at the track from which the non-host licensee derives its license.~~

~~(I) For interstate simulcast wagers at a host track and non-host licensees between the hours of 6:30 p.m. and 6:30 a.m. between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, as set forth in subparagraphs (A), (B), and (C) of this paragraph (5) and paragraph (8.1) of subsection (g).~~

~~(J) For interstate simulcast wagers at a host track and non-host licensees on thoroughbred and standardbred races between January 1 and the third Friday in February, inclusive, if thoroughbred horses are racing in Illinois during this period, as set forth in subparagraphs (A), (B), and (C) of this paragraph (5).~~

~~(6) Notwithstanding any provision in this Act to the~~

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SENATE

4199

contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.

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

(A) Between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, when the interstate simulcast is a standardbred race, the purse share to its standardbred purse account;

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

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

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

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

(8) Notwithstanding any provision in this Act to the contrary, an organization licensee from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility track.

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

the Mississippi River.

(9) ~~(Blank). The amount paid to an interstate simuleast purse pool under subparagraphs (F) and (C) of paragraph (5) of this subsection (g) shall be distributed as follows:~~

~~(A) First to supplement the standardbred purse account of the host track such that purses earned for a single standardbred race program between the hours of 6:30 a.m. and 6:30 p.m. of the host track between January 1 and the third Friday in February, if no live thoroughbred racing is occurring in Illinois during this period, equals \$75,000. For any race program during this period where the number of live races is less than 9, the guarantee of purses for that program shall be reduced by \$8,333 for each race fewer than 9;~~

~~(B) Any amount remaining in the simuleast purse pool after the payments required in subparagraph (A) of this paragraph (9) shall be distributed 50% to the standardbred~~

~~purse account at the host track and 50% to thoroughbred purse accounts, excluding purse accounts at tracks located in a county with a population in excess of 230,000 and that borders the Mississippi River. The thoroughbred purse share shall be distributed to thoroughbred tracks on a pro rata basis based on each track's 1994 Illinois on-track handle on live thoroughbred races relative to total 1994 Illinois on-track handle on live thoroughbred races, excluding handle on live thoroughbred races at a track located in a county with a population in excess of 230,000 and that borders the Mississippi River;~~

~~(10) (Blank). The amount paid to the interstate simulcast purse pool under subparagraph (B) of paragraph (7) of this subsection (g) shall be distributed as follows:~~

~~(A) First, to supplement the standardbred purse account such that the purses earned for each standardbred race program between January 1 and the third Friday in February, if no live thoroughbred racing is occurring in Illinois during this period, equals \$24,000. For any program during this period where the number of live races is less than 9, the \$24,000 purse guarantee shall be reduced by \$2,666 per race.~~

~~(B) Any amount remaining in the simulcast purse pool after the payment required in subparagraph (A) of this paragraph (10) shall be distributed 50% to standardbred purses and 50% to thoroughbred purses at the race track specified in paragraph (7) of this subsection (g).~~

~~(11) (Blank). Notwithstanding any provision in this Act to the contrary, subsequent to the effective date of this amendatory Act of 1995 and prior to December 31, 1995, a non-host licensee that conducts live standardbred racing between the hours of 6:30 a.m. and 6:30 p.m. on Tuesdays at a track located in a county with a population of less than 1,000,000 and that is contiguous to the State of Indiana may retain for its own account and its purse account for standardbred racing between the hours of 6:30 a.m. and 6:30 p.m. on Tuesdays:~~

~~(A) All commissions and all purse monies generated at the non-host licensee's race track from simulcast wagering during its live program between 6:30 a.m. and 6:30 p.m. on each Tuesday, which would otherwise be allocated to the host track and purses at the host track and purses as provided in subparagraph (B) of paragraph (5) of this subsection (g); and~~

~~(B) To the extent the amounts described in~~

~~subparagraph (A) of paragraph (11) of this subsection (g) are insufficient to equal the average amount of commissions and the average amount of purses earned on standardbred racing at the non-host licensee's track between 6:30 a.m. and 6:30 p.m. on Tuesdays during the 1994 calendar year as determined by the Board, during the days the non-host licensee's track conducts standardbred racing between 6:30 a.m. and 6:30 p.m. on each Tuesday from July 1, 1995, to~~

~~December 31, 1995, all inter-track wagering location licensees, except inter-track wagering location licensees affiliated with a track location in a county with a population of 230,000 and that borders the Mississippi River shall allocate from amounts retained from simulcast wagering between 6:30 a.m. and 6:30 p.m. on each Tuesday from July 1, 1995, to December 31, 1995 which would otherwise be allocated to the host track and purses at the host track, as provided in subparagraph (B) of paragraph (5) of this subsection (g), to the non-host track and purses at the non-host licensee, on a pro rata basis, based on each inter-track wagering location licensee's share of the total handle on simulcast wagering at the facilities of all inter-track wagering location licensees, excluding those inter-track wagering location licensees affiliated with a track located in a county with a population of 230,000 and that borders the Mississippi River for that Tuesday, so that the non-host licensee's commissions and purses earned for standardbred racing between 6:30 a.m. and 6:30 p.m. on the given Tuesday in 1995 equals the average amount of commissions and purses earned on standardbred racing at the non-host licensee's track between 6:30 a.m. and 6:30 p.m. on Tuesdays during the 1994 calendar year as determined by the Board. Within 72 hours after the non-host licensee holds standardbred races between 6:30 a.m. and 6:30 p.m. in calendar year 1995 on a Tuesday and after enactment of this amendatory Act of 1995, the Board shall notify each inter-track wagering location licensee of the amount from its simulcast wagering between 6:30 a.m. and 6:30 p.m. on each Tuesday in 1995 to be allocated to the non-host licensee and purses for standardbred racing at the non-host licensee for that Tuesday.~~

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

(13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle on Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the wagering facility the

amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the General Revenue Fund to the Department of Agriculture for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in January to be transferred from each account to each eligible racing facility in accordance with the provisions of this Section.

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

(1) Any person licensed to conduct a race meeting at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually or at a track located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license. Any such person having operating control of the racing facility may also receive up to 6 inter-track wagering location licenses. In no event shall more than 6 inter-track wagering locations be established for each eligible race track, except that an eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 7 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations

imposed by the Board. If found to be in compliance with the Act and rules and regulations of the Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by

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the Board.

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

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

(5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.

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

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

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

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations which are either within 90 miles of that race track where the particular organization licensee is licensed to conduct racing, or within 135 miles of that race track where the particular organization licensee is licensed to conduct racing in the case of race tracks in counties of less than 400,000 that were operating on or before June 1, 1986. However, inter-track wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made.

(8.2) Inter-track wagering or simulcast wagering shall not

be conducted by an inter-track wagering location licensee at any location within 500 feet of an existing church or existing school, nor within 500 feet of the residences of more than 50 registered voters without receiving written permission from a majority of the registered voters at such residences. Such written permission statements shall be filed with the Board. The distance of 500 feet shall be measured to the nearest part of any building used for worship services, education programs, residential purposes, or conducting inter-track wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 500 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have been erected or established, or such voters

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have been registered, after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only in areas that are zoned for commercial or manufacturing purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However, inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

(9) (Blank).

(10) An inter-track wagering licensee or an inter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee or inter-track wagering location licensee shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27 ~~27.1~~.

(10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an inter-track wagering location licensee is situated in an unincorporated area of a county, such licensee shall pay 2% of the pari-mutuel handle from such location to such county.

(10.2) Notwithstanding any other provision of this Act, with respect to intertrack wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at

a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, on races conducted at the first race track or on races conducted at another Illinois race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as follows:

(A) That portion of all moneys wagered on standardbred racing that is required under this Act to be paid to purses shall be paid to purses for standardbred races.

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

(11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split

between the 2 participating licensees and 50% to purses, except that an intertrack wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an intertrack wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.

(B) From the sums permitted to be retained pursuant to this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% ~~4%~~ of the pari-mutuel handle on intertrack wagering at such location on races as purses, except that an intertrack wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with distribution set forth in this subsection (h), and intertrack wagering location licensees that accept wagers on races conducted by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation

Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h) during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess amount shall be redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro-rata share of the total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of the total inter-track wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall be further redistributed as provided in subparagraphs (D) and (E) of paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such

location to satisfy all costs and expenses of conducting its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except that an intertrack wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an intertrack wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1) of this subsection (h) by this amendatory Act of 1991, those licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% ~~4.5%~~ of the

pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25% ~~4.5%~~; during the third 12 months, 5.75% ~~5%~~; during the fourth 12 months, 6.25% ~~5.5%~~; and during the fifth 12 months and thereafter, 6.75% ~~6%~~. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% ~~7.5%~~ of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25% ~~7.5%~~; during the third 12 months, 7.75% ~~7%~~; during the fourth 12 months, 7.25% ~~6.5%~~; and during the fifth 12 months and thereafter, 6.75% ~~6%~~. For additional intertrack wagering location licensees authorized under this amendatory Act of 1995, purses for the first 12 months the licensee is in operation shall be 5.75% ~~5%~~ of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25% ~~5-1/2%~~, and purses thereafter shall be 6.75% ~~6%~~. For additional intertrack location licensees authorized under this amendatory Act of 1995, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% ~~7%~~ of the pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% ~~6.5%~~ during its second 12 months of operation, and 6.75% ~~6%~~ thereafter.

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

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who

shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto

established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to park districts or municipalities that do not have a park district of 500,000 population or less for museum purposes (if an inter-track wagering location licensee is located in such a park district) or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall be allocated equally between the county and the municipality in which the inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have a park district in an amount equal to four-sevenths of the amount collected by each inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before the effective date of this amendatory Act of 1991 by an inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon as practicable after the effective date of this amendatory Act of 1991, be allocated

and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining

a museum may deposit the monies in the corporate fund of the park district or municipality where the inter-track wagering location is located, to be used for general purposes; and

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

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

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of

this State and making an appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative

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SENATE

4209

and of no force and effect on and after January 1, 2000.

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

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

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

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

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

(A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.

(B) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the

rules and regulations relating to the conduct of such wagering.

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

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4210

JOURNAL OF THE

[May 24, 1999]

ancestry, or sex.

(D) (Blank).

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

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

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

(13) The Department of Agriculture may enter into agreements with licensees authorizing such licensees to conduct inter-track wagering on races to be held at the licensed race meetings conducted by the Department of Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon which the licensees will conduct wagering. In the event that a licensee conducts inter-track pari-mutuel wagering on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved racing program, those races shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege or pari-mutuel tax on that daily handle as provided in Sections 27 and 27.1. Such agreements shall be approved by the Board before such wagering may be conducted. In determining whether to grant approval, the Board shall give due consideration to the best interests of the public and of horse racing. The provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in this paragraph (13) shall not apply to licensed race meetings conducted by the Department of

Agriculture at the Illinois State Fair in Sangamon County or the DuQuoin State Fair in Perry County, or to any wagering conducted on those race meetings.

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

(Source: P.A. 88-358; 88-572, eff. 8-11-94; 88-661, eff. 9-16-94; 89-16, eff. 5-30-95.)

(230 ILCS 5/26.1) (from Ch. 8, par. 37-26.1)

Sec. 26.1. For all pari-mutuel wagering conducted pursuant to this Act, breakage shall be at all times computed on the basis of not to exceed 10¢ on the dollar. If there is a minus pool, the breakage shall be computed on the basis of not to exceed 5¢ on the dollar. Breakage shall be calculated only after the amounts retained by licensees pursuant to Sections 26 and 26.2 of this Act, and all applicable surcharges, are taken out of winning wagers and winnings from wagers. Beginning January 1, 2000, all breakage shall be retained by licensees, with 50% of breakage to be used by licensees for racetrack improvements at the racetrack from which the wagering facility derives its license. The remaining 50% is to be allocated

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SENATE

4211

50% to the purse account for the licensee from which the wagering facility derives its license and 50% to the licensee.

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

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

Sec. 27. (a) In addition to the organization license fee provided by this Act, until January 1, 2000, a graduated privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, all of the breakage of each racing day held by any licensee in the State shall be paid to the State. Until January 1, 2000, such daily graduated privilege tax shall be paid by the licensee from the amount permitted to be retained under this Act. Until January 1, 2000, each day's graduated privilege tax, breakage, and Horse Racing Tax Allocation funds shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes. The privilege tax hereby imposed, until January 1, 2000, shall be a flat tax at the rate of 2% of the daily pari-mutuel handle except as provided in Section 27.1.

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

This subsection (a) shall be inoperative and of no force and effect on and after January 1, 2000.

(a-5) Beginning on January 1, 2000, a flat pari-mutuel tax at

the rate of 1.5% of the daily pari-mutuel handle is imposed at all pari-mutuel wagering facilities, which shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

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

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

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

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

(f) No other license fee, privilege tax, excise tax or racing fee shall be assessed or collected from any such licensee by units of local government except as provided in paragraph 10.1 of subsection (h) and subsection (f) of Section 26 of this Act. However, any municipality that has a Board licensed horse race meeting at a race track wholly within its corporate boundaries or a township that has a Board licensed horse race meeting at a race track wholly within the unincorporated area of the township may charge a local amusement tax not to exceed 10¢ per admission to such horse race meeting by the enactment of an ordinance. However, any municipality or county that has a Board licensed inter-track wagering location facility wholly within its corporate boundaries may each impose an admission fee not to exceed \$1.00 per admission to such inter-track wagering location facility, so that a total of not more than \$2.00 per admission may be imposed. Except as provided in subparagraph (g) of Section 27 of this Act, the inter-track wagering location licensee shall collect any and all such fees and within 48 hours remit the fees to the Board, which shall, pursuant to rule, cause the fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to the contrary,

if in any calendar year the total taxes and fees required to be collected from licensees and distributed under this Act to all State and local governmental authorities exceeds the amount of such taxes and fees distributed to each State and local governmental authority to which each State and local governmental authority was entitled under this Act for calendar year 1994, then the first \$11 million of that excess amount shall be allocated at the earliest possible date for distribution as purse money for the succeeding calendar year. Upon reaching the 1994 level, and until the excess amount of taxes and fees exceeds \$11 million, the Board shall direct all licensees to cease paying the subject taxes and fees and the Board shall direct all licensees to allocate any such excess amount for purses as follows:

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

(ii) each thoroughbred and standardbred organization licensee issued an organization licensee in that succeeding allocation year ~~(provided that licensee was also an organization licensee during the preceding year)~~ shall be allocated an amount equal to the product of its percentage of total Illinois live thoroughbred or standardbred wagering in calendar year 1994 (the total to be determined based on the sum of 1994 on-track wagering for all organization licensees issued organization licenses in both the allocation year and the preceding year) multiplied by the total amount allocated for standardbred or thoroughbred purses, provided that the first \$1,500,000 of the amount allocated to standardbred purses under item (i) shall be allocated to the Department of Agriculture to be expended with the assistance and advice of the Illinois Standardbred Breeders Funds Advisory Board for the purposes listed in subsection (g) of Section 31 of this Act, before the amount allocated to standardbred purses under item (i) is allocated to standardbred organization licensees in the succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to

State and local authorities as provided for under this Act.

(Source: P.A. 88-495; 89-16, eff. 5-30-95; 89-499, eff. 6-28-96.)

(230 ILCS 5/27.1) (from Ch. 8, par. 37-27.1)

Sec. 27.1. Every organization licensee whose track facilities are operating in counties under 400,000 population on or before June 1, 1986, shall be subject to a daily graduated tax of 1% of the first \$400,000 of daily pari-mutuel handle and 2% of such handle in excess of \$400,000.

Every inter-track wagering licensee and inter-track wagering location licensee shall be subject to a daily graduated tax of 1% of the first \$400,000 of its daily pari-mutuel handle and 2% of such handle in excess of \$400,000.

Every organization licensee whose track facilities are operating in counties under 400,000 population on or before June 1, 1986, every

inter-track wagering licensee and inter-track wagering location licensee, shall pay, until January 1, 2000, as a privilege tax on multiple wagers an amount equal to .75% of all moneys wagered each day on such multiple wagers, plus, until January 1, 2000, an additional amount equal to 2.5% of the amount wagered each day on any other multiple wager which involves a single betting interest on 3 or more horses.

This Section is repealed on January 1, 2000.

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

(230 ILCS 5/28) (from Ch. 8, par. 37-28)

Sec. 28. Except as provided in subsection (g) of Section 27 of this Act, moneys collected shall be distributed according to the provisions of this Section 28.

(a) Thirty per cent of the total of all monies received by the State as privilege taxes shall be paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund in the State treasury until such Fund contains sufficient money to pay in full, both principal and interest, all of the outstanding bonds issued pursuant to the Fair and Exposition Authority Reconstruction Act, approved July 31, 1967, as amended, and thereafter shall be paid into the Metropolitan Exposition Auditorium and Office Building Fund in the State Treasury.

(b) Four and one-half per cent of the total of all monies received by the State as privilege taxes shall be paid into the State treasury into a special Fund to be known as the "Metropolitan Exposition, Auditorium, and Office Building Fund".

(c) Fifty per cent of the total of all monies received by the State as privilege taxes under the provisions of this Act shall be paid into the "Agricultural Premium Fund".

(d) Seven per cent of the total of all monies received by the State as privilege taxes shall be paid into the Fair and Exposition Fund in the State treasury; provided, however, that when all bonds issued prior to July 1, 1984 by the Metropolitan Fair and Exposition Authority shall have been paid or payment shall have been provided for upon a refunding of those bonds, thereafter 1/12 of \$1,665,662 of such monies shall be paid each month into the Build Illinois Fund, and the remainder into the Fair and Exposition Fund. All excess monies shall be allocated to the Department of Agriculture for distribution to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act.

(e) The monies provided for in Section 30 shall be paid into the Illinois Thoroughbred Breeders Fund.

(f) The monies provided for in Section 31 shall be paid into the Illinois Standardbred Breeders Fund.

(g) Until January 1, 2000, that part representing 1/2 of the total breakage in Thoroughbred, Harness, Appaloosa, Arabian, and Quarter Horse racing in the State shall be paid into the "Illinois Race Track Improvement Fund" as established in Section 32.

(h) All other monies received by the Board under this Act shall be paid into the General Revenue Fund of the State.

(i) The salaries of the Board members, secretary, stewards, directors of mutuels, veterinarians, representatives, accountants, clerks, stenographers, inspectors and other employees of the Board,

and all expenses of the Board incident to the administration of this Act, including, but not limited to, all expenses and salaries incident to the taking of saliva and urine samples in accordance with the rules and regulations of the Board shall be paid out of the Agricultural Premium Fund.

(j) The Agricultural Premium Fund shall also be used:

(1) for the expenses of operating the Illinois State Fair and the DuQuoin State Fair, including the payment of prize money or premiums;

(2) for the distribution to county fairs, vocational agriculture section fairs, agricultural societies, and agricultural extension clubs in accordance with the "Agricultural Fair Act", as amended;

(3) for payment of prize monies and premiums awarded and for expenses incurred in connection with the International Livestock Exposition and the Mid-Continent Livestock Exposition held in Illinois, which premiums, and awards must be approved, and paid by the Illinois Department of Agriculture;

(4) for personal service of county agricultural advisors and county home advisors;

(5) for distribution to agricultural home economic extension councils in accordance with "An Act in relation to additional support and finance for the Agricultural and Home Economic Extension Councils in the several counties in this State and making an appropriation therefor", approved July 24, 1967, as amended;

(6) for research on equine disease, including a development center therefor;

(7) for training scholarships for study on equine diseases to students at the University of Illinois College of Veterinary Medicine;

(8) for the rehabilitation, repair and maintenance of the Illinois and DuQuoin State Fair Grounds and the structures and facilities thereon and the construction of permanent improvements on such Fair Grounds, including such structures, facilities and property located on such State Fair Grounds which are under the custody and control of the Department of Agriculture;

(9) for the expenses of the Department of Agriculture under Section 6.01a of "The Civil Administrative Code of Illinois", as amended;

(10) for the expenses of the Department of Commerce and Community Affairs under Sections 6.18a, 46.24, 46.25 and 46.26 of "The Civil Administrative Code of Illinois", as amended;

(11) for remodeling, expanding, and reconstructing facilities destroyed by fire of any Fair and Exposition Authority in counties with a population of 1,000,000 or more inhabitants;

(12) for the purpose of assisting in the care and general rehabilitation of disabled veterans of any war and their surviving spouses and orphans;

(13) for expenses of the Department of State Police for duties performed under this Act;

(14) for the Department of Agriculture for soil surveys and soil and water conservation purposes;

(15) for the Department of Agriculture for grants to the City of Chicago for conducting the Chicagofest.

(k) To the extent that monies paid by the Board to the

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Agricultural Premium Fund are in the opinion of the Governor in excess of the amount necessary for the purposes herein stated, the Governor shall notify the Comptroller and the State Treasurer of such fact, who, upon receipt of such notification, shall transfer such excess monies from the Agricultural Premium Fund to the General Revenue Fund.

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

(230 ILCS 5/28.1 new)

Sec. 28.1. Payments.

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

(b) Appropriations, as approved by the General Assembly, may be made from the Horse Racing Fund to the Board to pay the salaries of the Board members, secretary, stewards, directors of mutuels, veterinarians, representatives, accountants, clerks, stenographers, inspectors and other employees of the Board, and all expenses of the Board incident to the administration of this Act, including, but not limited to, all expenses and salaries incident to the taking of saliva and urine samples in accordance with the rules and regulations of the Board.

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

(d) Beginning January 1, 2000, payments to all programs in existence on the effective date of this amendatory Act of 1999 that are identified in Sections 26(c), 26(f), 26(h)(11)(C), and 28, subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Section 30, and subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Section 31 shall be made from the General Revenue Fund at the funding levels determined by amounts paid under this Act in calendar year 1998.

(230 ILCS 5/29) (from Ch. 8, par. 37-29)

Sec. 29. (a) After the privilege or pari-mutuel tax established in Sections 26(f), 27, and 27.1 is paid to the State from the monies retained by the organization licensee pursuant to Sections 26, 26.2, and 26.3, the remainder of those monies retained pursuant to Sections 26 and 26.2, except as provided in subsection (g) of Section 27 of this Act, shall be allocated evenly to the organization licensee and as purses.

(b) (Blank).

(c) (Blank).

(d) Each organization licensee and inter-track wagering licensee from the money retained for purses as set forth in subsection (a) of this Section, shall pay to an organization representing the largest number of horse owners and trainers which has negotiated a contract with the organization licensee for such purpose an amount equal to at least 1% of the organization licensee's and inter-track wagering licensee's retention of the pari-mutuel handle for the racing season. Each inter-track wagering location licensee, from the 4% of its handle required to be paid as purses under paragraph (11) of subsection (h) of Section 26 of this Act, shall pay to the contractually established representative organization 2% of that 4%,

provided that the payments so made to the organization shall not exceed a total of \$125,000 in any calendar year. Such contract shall be negotiated and signed prior to the beginning of the racing season. (Source: P.A. 89-16, eff. 5-30-95.)

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

Sec. 30. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by residents of this

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4216

JOURNAL OF THE

[May 24, 1999]

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

(b) Each organization licensee conducting a thoroughbred racing meeting pursuant to this Act shall provide at least two races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled or Illinois foaled horses or both. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

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

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Thoroughbred Breeders Fund.

Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the monies received by the State as privilege taxes on Thoroughbred racing meetings shall be paid into the Illinois Thoroughbred Breeders Fund.

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

(f) The Illinois Thoroughbred Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended by them; 2 representatives of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by it; and 2 representatives of the Horsemen's Benevolent Protective Association or any successor organization established in Illinois comprised of the largest number of owners and trainers, recommended by it, with one representative of the Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the organization licensees conducting

thoroughbred racing meetings, the Illinois Thoroughbred Breeders and Owners Foundation, and the Horsemen's Benevolent Protection Association have not been recommended by January 1, of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) No monies shall be expended from the Illinois Thoroughbred Breeders Fund except as appropriated by the General Assembly. Monies appropriated from the Illinois Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, for the following purposes only:

(1) To provide purse supplements to owners of horses participating in races limited to Illinois conceived and foaled

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SENATE

4217

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

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

(2.5) To provide an award to the owner or owners of an Illinois conceived and foaled or Illinois foaled horse that wins a maiden special weight, an allowance, overnight handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. Awards shall also be provided to the owner or owners of Illinois conceived and foaled and Illinois foaled horses that place second or third in those races. To the extent that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.

(3) To provide stallion awards to the owner or owners of any stallion that is duly registered with the Illinois Thoroughbred Breeders Fund Program prior to the effective date of this amendatory Act of 1995 whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race. Such award shall not be paid to the owner or owners of an Illinois stallion that served outside this State at any time

during the calendar year in which such race was conducted.

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

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

(5) No less than 80% of all monies appropriated from the Illinois Thoroughbred Breeders Fund shall be expended for the purposes in (1), (2), (2.5), (3), (4), (4.1), and (5) as shown above.

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

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

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

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

(10) To provide for all expenses incurred in the

administration of the Illinois Thoroughbred Breeders Fund.

(h) Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund.

(i) A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (i) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual

audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

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

The 11 1/2% paid to the breeders in accordance with this

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subsection shall be distributed as follows:

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

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

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

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

Such payments shall not reduce any award to the owners of a horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards in accordance with the provisions of this

Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped. An "Illinois foaled horse" is a foal dropped by a mare which enters this State on or before December 1, in the year in which the horse is bred, 1995 for a foal dropped in calendar year 1996, November 1, 1996 for a foal dropped in calendar year 1997, and October 1 for foals dropped in all years thereafter, provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days after foaling, is bred back during the season of the foaling to an Illinois Registered Stallion (unless a veterinarian certifies that the mare should not be bred for health reasons), and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also means a foal born in Illinois of a mare purchased at public auction subsequent to the mare entering this State prior to February 1 of the foaling year providing the mare is owned solely by one or more Illinois residents or an Illinois entity that is entirely owned by one or more Illinois residents.

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

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible stallions. All fees collected are to be paid into the Illinois Thoroughbred Breeders Fund.

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

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

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors,

including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

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

(o) In order to improve the breeding quality of thoroughbred horses in the State, the General Assembly recognizes that existing provisions of this Section to encourage such quality breeding need to be revised and strengthened. As such, a Thoroughbred Breeder's Program Task Force is to be appointed by the Governor by September 1, 1999 to make recommendations to the General Assembly by no later than March 1, 2000. This task force is to be composed of 2 representatives from the Illinois Thoroughbred Breeders and Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's Association, 3 from Illinois race tracks operating thoroughbred race meets for an average of at least 30 days in the past 3 years, the Director of Agriculture, the Executive Director of the Racing Board, who shall serve as Chairman.

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

(230 ILCS 5/30.5 new)

Sec. 30.5. Illinois Quarter Horse Breeders Fund.

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

(b) There is hereby created a special fund in the State Treasury to be known as the Illinois Racing Quarter Horse Breeders Fund. Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the moneys received by the State as pari-mutuel taxes on quarter horse racing shall be paid into the Illinois Racing Quarter Horse Breeders Fund.

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

Section.

(d) The Illinois Racing Quarter Horse Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; one representative of the organization licensees conducting pari-mutuel quarter horse racing meetings, recommended by them; 2 representatives of the Illinois Running Quarter Horse Association, recommended by it; and the Superintendent of Fairs and Promotions from the Department of Agriculture. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture may make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but may be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

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

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

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

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

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

(5) To provide for purses to be distributed for the running of races at Illinois county fairs exclusively for quarter horses conceived and foaled in Illinois.

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

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

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

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

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

(f) The Department of Agriculture shall, by rule, with the

advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board:

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

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4222

JOURNAL OF THE

[May 24, 1999]

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

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

(g) The Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

(230 ILCS 5/32.1 new)

Sec. 32.1. Pari-mutuel tax credit; statewide racetrack real estate equalization. In order to encourage new investment in Illinois racetrack facilities and mitigate differing real estate tax burdens among all racetracks, the licensees affiliated or associated with each racetrack that has been awarded live racing dates in the current year shall receive an immediate pari-mutuel tax credit in an amount equal to the greater of (i) 50% of the amount of the real estate taxes paid in the prior year attributable to that racetrack, or (ii) the amount by which the real estate taxes paid in the prior year attributable to that racetrack exceeds 60% of the average real estate taxes paid in the prior year for all racetracks awarded live horse racing meets in the current year.

Each year, regardless of whether the organization licensee conducted live racing in the year of certification, the Board shall certify in writing, prior to December 31, the real estate taxes paid in that year for each racetrack and the amount of the pari-mutuel tax credit that each organization licensee, intertrack wagering licensee, and intertrack wagering location licensee that derives its license from such racetrack is entitled in the succeeding calendar year. The real estate taxes considered under this Section for any racetrack shall be those taxes on the real estate parcels and related facilities used to conduct a horse race meeting and inter-track wagering at such racetrack under this Act. In no event shall the amount of the tax credit under this Section exceed the amount of

pari-mutuel taxes otherwise calculated under this Act. The amount of the tax credit under this Section shall be retained by each licensee and shall not be subject to any reallocation or further distribution under this Act. The Board may promulgate emergency rules to implement this Section.

(230 ILCS 5/54 new)

Sec. 54. Horse Racing Equity Fund.

(a) There is created in the State Treasury a Fund to be known as the Horse Racing Equity Fund. The Fund shall consist of moneys paid into it pursuant to subsection (c-5) of Section 13 of the Riverboat Gambling Act. The Fund shall be administered by the Racing Board.

(b) The moneys deposited into the Fund shall be distributed by the State Treasurer within 10 days after those moneys are deposited into the Fund as follows:

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SENATE

4223

(1) Fifty percent of all moneys distributed under this subsection shall be distributed to organization licensees to be distributed at their race meetings as purses. Fifty-seven percent of the amount distributed under this paragraph (1) shall be distributed for thoroughbred race meetings and 43% shall be distributed for standardbred race meetings. Within each breed, moneys shall be allocated to each organization licensee's purse fund in accordance with the ratio between the purses generated for that breed by that licensee during the prior calendar year and the total purses generated throughout the State for that breed during the prior calendar year.

(2) The remaining 50% of the moneys distributed under this subsection (b) shall be distributed pro rata according to the aggregate proportion of state-wide handle at the racetrack, inter-track, and inter-track wagering locations that derive their licenses from a racetrack identified in this paragraph (2) for calendar years 1994, 1996, and 1997 to (i) any person (or its successors or assigns) who had operating control of a racing facility at which live racing was conducted in calendar year 1997 and who has operating control of an organization licensee that conducted racing in calendar year 1997 and is a licensee in the current year, or (ii) any person (or its successors or assigns) who has operating control of a racing facility located in a county that is bounded by the Mississippi River that has a population of less than 150,000 according to the 1990 decennial census and conducted an average of 60 days of racing per year between 1985 and 1993 and has been awarded an inter-track wagering license in the current year.

If any person identified in this paragraph (2) becomes ineligible to receive moneys from the Fund, such amount shall be redistributed among the remaining persons in proportion to their percentages otherwise calculated.

(230 ILCS 5/55 new)

Sec. 55. Study concerning account wagering and fixed odds wagering. The Board shall study whether it would be in the best interests of the horse racing industry and the State of Illinois to authorize account wagering and fixed odds wagering. The Board shall file a written report containing its findings with the General

Assembly no later than December 31, 1999.

Section 12. The Illinois Horse Racing Act of 1975 is amended by changing Section 32 as follows:

(230 ILCS 5/32) (from Ch. 8, par. 37-32)

Sec. 32. Illinois Race Track Improvement Fund. Within 30 days after the effective date of this Act, the Board shall cause all moneys previously deposited in the Illinois Race Track Improvement Fund to be remitted to the racetrack from which the licensee derives its license in accordance to the amounts generated by each licensee.

~~(a) There is hereby created in the State Treasury a fund to be known as the Illinois Race Track Improvement Fund, referred to in this Section as the Fund, to consist of monies paid into it pursuant to Section 28. Except as provided in subsection (g) of Section 27 of this Act, moneys credited to the Fund shall be distributed by the Treasurer on order of the Board.~~

~~(b) Except as provided in subsection (g) of Section 28, 50% of the breakage of each meeting shall be collected by the Department of Revenue and deposited with the State Treasurer in an account established for each organization licensee who held such meeting at any track in a given racing year.~~

~~(c) The Racing Board shall use this Fund to aid tracks in improving their facilities. Expenditures from the Fund shall be equitably distributed between frontside and backside improvements for~~

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4224

JOURNAL OF THE

[May 24, 1999]

~~each organization licensee, taking into account the amount an organization licensee may spend or has spent on frontside and backside improvements over the course of a multi-year capital improvement plan, which plan shall be updated each year and subject to the review and approval of the Board. The Board shall have discretion to deny a request for reimbursement from the Fund if it determines that the proposed expenditures are not consistent with the approved capital improvement plan. An organization licensee shall be required to file an updated plan each year with any application to conduct racing.~~

~~(d) Monies shall be distributed from the Fund to tracks for the cost of erection, improving or acquisition of seating stands, buildings or other structures, ground or track, for the necessary purchase or required restoration of depreciable property and equipment used in the operation of a race track, or for the payment of the cost of amortization of debt contracted with the approval of the Board for any or all such purposes. The fund shall also be used to reimburse race tracks for the added expenses incurred when it is necessary to establish training facilities for horses eligible to compete at operating race tracks due to the existence of an overflow of eligible horses using the training facilities at the operating tracks, or if it is determined by the Board to be in the best interests of racing.~~

~~(e) The Board shall promulgate procedural rules and regulations governing information required, deadlines for filing, and types of application forms to be observed by the tracks seeking monies from the Fund.~~

~~(f) (Blank).~~

~~(g) The Board shall keep accurate records of monies deposited in~~

~~each account for each licensee. If in any given year a track does not tender any application for monies from the Fund or tenders an application which is not in accordance with the provisions of this Section the Department of Revenue shall allow such unexpended monies to remain in the account for utilization at a later date in accordance with the provision of subsections (c) through (e).~~

~~(h) In addition to any other permitted use of moneys in the Fund, and notwithstanding any restriction on the use of the Fund, moneys in the Illinois Race Track Improvement Fund may be transferred to the General Revenue Fund as authorized by Public Act 87-14. The General Assembly finds that an excess of moneys existed in the Fund on July 30, 1991, and the Governor's order of July 30, 1991, requesting the Comptroller and Treasurer to transfer an amount from the Fund to the General Revenue Fund is hereby validated.~~

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

Section 15. The Riverboat Gambling Act is amended by changing the title of the Act, changing Sections 3, 4, 5, 6, 7, 11, 12, 13, and 18, and adding Section 11.2 as follows:

(230 ILCS 10/Act title)

An Act to authorize certain forms of gambling ~~on excursion gambling boats.~~

(Source: P.A. 86-1029.)

(230 ILCS 10/3) (from Ch. 120, par. 2403)

Sec. 3. Riverboat Gambling Authorized.

(a) Riverboat gambling operations and the system of wagering incorporated therein, as defined in this Act, are hereby authorized to the extent that they are carried out in accordance with the provisions of this Act.

(b) This Act does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race meetings as authorized under the Illinois Horse Racing Act of 1975, lottery games authorized under the Illinois Lottery Law,

bingo authorized under the Bingo License and Tax Act, charitable games authorized under the Charitable Games Act or pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act.

(c) Riverboat gambling conducted pursuant to this Act may be authorized upon any water navigable stream within the State of Illinois or any water navigable stream other than Lake Michigan which constitutes a boundary of the State of Illinois. A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of passengers for the purpose of gambling; however, this Act does not authorize riverboat gambling within a county having a population in excess of 3,000,000, and this Act does not authorize riverboats conducting gambling under this Act to dock at any location in a county having a population in excess of 3,000,000.

(Source: P.A. 86-1029.)

(230 ILCS 10/4) (from Ch. 120, par. 2404)

Sec. 4. Definitions. As used in this Act:

(a) "Board" means the Illinois Gaming Board.

(b) "Occupational license" means a license issued by the Board

to a person or entity to perform an occupation which the Board has identified as requiring a license to engage in riverboat gambling in Illinois.

(c) "Gambling game" includes, but is not limited to, baccarat, twenty-one, poker, craps, slot machine, video game of chance, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, or pull tab which is authorized by the Board as a wagering device under this Act.

(d) "Riverboat" means a self-propelled excursion boat or a permanently moored barge on which lawful gambling is authorized and licensed as provided in this Act.

(e) ~~(Blank). "Gambling excursion" means the time during which gambling games may be operated on a riverboat.~~

(f) "Dock" means the location where a ~~an excursion~~ riverboat moors for the purpose of embarking passengers for and disembarking passengers from the riverboat ~~a gambling excursion~~.

(g) "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens or electronic cards by riverboat patrons.

(h) "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

(i) "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

(j) "Department" means the Department of Revenue.

(k) "Gambling operation" means the conduct of authorized gambling games upon a riverboat.

(Source: P.A. 86-1029; 86-1389; 87-826.)

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

Sec. 5. Gaming Board.

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

(2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall

be designated by the Governor to be chairman. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each member shall either be a resident of Illinois or shall certify that he will become a resident of Illinois before taking office. At least one member shall be experienced in law enforcement and criminal investigation, at least one member shall be a certified public accountant experienced in accounting and auditing, and at least one member shall be a lawyer licensed to practice law in Illinois.

(3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members

appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.

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

(5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track, race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other incidental expenses. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

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

(7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

(8) Upon the request of the Board, the Department shall employ such personnel as may be necessary to carry out the functions of the Board. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial

interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in

conducting horse racing within this State. Any employee violating these prohibitions shall be subject to termination of employment.

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

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

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

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

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

(4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State Gaming Fund;

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

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

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

(8) To hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by the

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Chairman or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

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

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

(11) ~~(Blank) To review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this Act, and make recommendation to the Governor and the General Assembly, by January 31, 1992, as to whether limits on wagering losses should be imposed; and~~

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

(c) The Board shall have jurisdiction over and shall supervise all gambling 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 riverboat gambling operations in this State and all persons on riverboats where gambling operations are conducted.

(3) To promulgate rules and regulations for the purpose of

administering the provisions of this Act and to prescribe rules, regulations and conditions under which all riverboat gambling 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 riverboat gambling, including rules and regulations regarding the inspection of such riverboats and the review of any permits or licenses necessary to operate a riverboat under any laws or regulations applicable to riverboats, and to impose penalties for violations thereof.

(4) To enter the office, riverboats, facilities, or other places of business of a licensee, where evidence of the

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compliance or noncompliance with the provisions of this Act is likely to be found.

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

(6) To adopt standards for the licensing of all persons under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.

(7) To adopt appropriate standards for all riverboats and facilities.

(8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders and final decisions promulgated under this Act.

(9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules.

(10) To prescribe a form to be used by any licensee involved in the ownership or management of gambling operations as an application for employment for their employees.

(11) To revoke or suspend licenses, as the Board may see fit and in compliance with applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license, without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a riverboat's operation. The suspension may remain in effect until the Board determines that the cause for suspension has been

abated. The Board may revoke the owners license upon a determination that the owner has not made satisfactory progress toward abating the hazard.

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

(13) To require all licensees of gambling operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which shall be used only for wagering in the gambling establishment.

(14) ~~(Blank). To authorize the routes of a riverboat and the stops which a riverboat may make.~~

(15) To suspend, revoke or restrict licenses, to require

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the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to riverboat gambling operations.

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

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

(18) To authorize a licensee to sell or serve alcoholic liquors, wine or beer as defined in the Liquor Control Act of 1934 on board a riverboat and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat is an exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat. This amendatory Act of 1991 is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, ~~rivers~~ in the

event of extreme weather conditions, acts of God or other extreme circumstances.

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

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

(d) The Board may seek and shall receive the cooperation of the Department of State Police in conducting background investigations of applicants and in fulfilling its responsibilities under this Section. Costs incurred by the Department of State Police as a result of such cooperation shall be paid by the Board in conformance with the requirements of subsection 22 of Section 55a of The Civil Administrative Code of Illinois.

(Source: P.A. 86-1029; 86-1389; 87-826.)

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

Sec. 6. Application for Owners License.

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

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application shall be used as a basis for a thorough background investigation which the Board shall conduct with respect to each applicant. An incomplete application shall be cause for denial of a license by the Board.

(b) Applicants shall submit with their application all documents, resolutions, and letters of support from the governing body that represents the municipality or county wherein the licensee will dock.

(c) Each applicant shall disclose the identity of every person, association, trust or corporation having a greater than 1% direct or indirect pecuniary interest in the riverboat gambling operation with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited.

(d) An application shall be filed with the Board by January 1 of the year preceding any calendar year for which an applicant seeks an owners license; however, applications for an owners license permitting operations on January 1, 1991 shall be filed by July 1, 1990. An application fee of \$50,000 shall be paid at the time of filing to defray the costs associated with the background investigation conducted by the Board. If the costs of the

investigation exceed \$50,000, the applicant shall pay the additional amount to the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda or other data supplied to or used by the Board in the course of its review or investigation of an application for a license under this Act shall be privileged, strictly confidential and shall be used only for the purpose of evaluating an applicant. Such information, records, interviews, reports, statements, memoranda or other data shall not be admissible as evidence, nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board.

(e) The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.

(f) The licensed owner shall be the person primarily responsible for the boat itself. Only one riverboat gambling operation may be authorized by the Board on any riverboat. The applicant must identify each riverboat it intends to use and certify that the riverboat: (1) has the authorized capacity required in this Act; (2) is accessible to disabled persons; and (3) ~~is either a replica of a 19th century Illinois riverboat or of a casino cruise ship design;~~ and (4) is fully registered and licensed in accordance with any applicable laws.

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

(Source: P.A. 86-1029; 86-1389.)

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

Sec. 7. Owners Licenses.

(a) The Board shall issue owners licenses to persons, firms or corporations which apply for such licenses upon payment to the Board of the non-refundable license fee set by the Board, upon payment of a \$25,000 license fee for the first year of operation and a \$5,000 license fee for each succeeding year and upon a determination by the Board that the applicant is eligible for an owners license pursuant

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to this Act and the rules of the Board. A person, firm or corporation is ineligible to receive an owners license if:

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

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

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

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

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

(6) the firm or corporation employs a person defined in (1), (2), (3) or (4) who participates in the management or

operation of gambling operations authorized under this Act;

(7) ~~(blank) the person, firm or corporation owns more than a 10% ownership interest in any entity holding an owners license issued under this Act; or~~

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

(b) In determining whether to grant an owners license to an applicant, the Board shall consider:

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

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

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

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

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

(4) the good faith affirmative action plan of each applicant to recruit, train and upgrade minorities in all employment classifications;

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

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

(7) the extent to which the applicant exceeds or meets other standards for the issuance of an owners license which the Board may adopt by rule.

(c) Each owners license shall specify the place where riverboats shall operate and dock.

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

(e) The Board may issue up to 10 licenses authorizing the holders of such licenses to own riverboats. In the application for an owners license, the applicant shall state the dock at which the riverboat is based and the ~~water navigable stream~~ on which the riverboat will be located operate. The Board shall issue 5 licenses to become effective not earlier than January 1, 1991. ~~Three~~ Four of such licenses shall authorize riverboat gambling on the Mississippi River, one of which shall authorize riverboat gambling from a home dock in the city of East St. Louis. One ~~The~~ other license shall authorize riverboat gambling on the Illinois River south of Marshall County. The Board shall issue 1 additional license to become

effective not earlier than March 1, 1992, which shall authorize riverboat gambling on the Des Plaines River in Will County. The Board may issue 4 additional licenses to become effective not earlier than March 1, 1992. In determining the ~~water navigable streams~~ upon which riverboats will operate ~~with licenses effective on or after March 1,~~

1992, the Board shall consider the economic benefit which riverboat gambling confers on the State, and shall seek to assure that all regions of the State share in the economic benefits of riverboat gambling.

In granting all licenses, the Board may give favorable consideration to economically depressed areas of the State, to applicants presenting plans which provide for significant economic development over a large geographic area, and to applicants who currently operate non-gambling riverboats in Illinois. The Board shall review all applications for owners licenses, and shall inform each applicant of the Board's decision.

The Board may revoke the owners license of a licensee which fails to begin conducting gambling regular riverboat cruises within 15 ~~12~~ months of receipt of the Board's approval of the application if the Board determines that license revocation is in the best interests of the State.

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

(g) Upon the termination, expiration, or revocation of each of the first 10 licenses, which shall be issued for a 3 year period, all licenses are renewable annually upon payment of the fee and a determination by the Board that the licensee continues to meet all of the requirements of this Act and the Board's rules. However, for licenses renewed on or after May 1, 1998, renewal shall be for a period of 4 years, unless the Board sets a shorter period.

(h) An owners license shall entitle the licensee to own up to 2 riverboats. A licensee shall limit the number of gambling participants to 1,200 for any such owners license. A licensee may operate both of its riverboats concurrently, provided that the total number of gambling participants on both riverboats does not exceed 1,200. Riverboats licensed to operate on the Mississippi River and the Illinois River south of Marshall County shall have an authorized capacity of at least 500 persons. Any other riverboat licensed under this Act shall have an authorized capacity of at least 400 persons.

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

(j) ~~None of the first 5 licenses issued by the Board to become effective not earlier than January 1, 1991 shall authorize a riverboat to dock in a municipality with a population of under 2,000; however, this restriction does not apply to any additional licenses issued by the Board to become effective not earlier than March 1, 1992.~~ The Board may issue a license authorizing a riverboat to dock in a municipality or approve a relocation under Section 11.2 only if, prior to the issuance of the license or approval, the governing body of the municipality in which the riverboat will dock has by a majority vote approved the docking of riverboats in the municipality.

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The Board may issue a license authorizing a riverboat to dock in areas of a county outside any municipality or approve a relocation under Section 11.2 only if, prior to the issuance of the license or approval, the governing body of the county has by a majority vote approved of the docking of riverboats within such areas.

~~(k) Nothing in this Act shall be interpreted to prohibit a licensed owner from operating a school for the training of any occupational licensee.~~

(Source: P.A. 86-1029; 86-1389; 86-1475; 87-826.)

(230 ILCS 10/11) (from Ch. 120, par. 2411)

Sec. 11. Conduct of gambling.

~~(a)~~ Gambling may be conducted by licensed owners aboard riverboats, subject to the following standards:

(1) A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of passengers for the purpose of gambling ~~No gambling may be conducted while a riverboat is docked.~~

(2) ~~(Blank). Riverboat cruises may not exceed 4 hours for a round trip, with the exception of any extended cruises, each of which shall be expressly approved by the Board.~~

(3) Minimum and maximum wagers on games shall be set by the licensee.

(4) Agents of the Board and the Department of State Police may board and inspect any riverboat at any time for the purpose of determining whether this Act is being complied with. Every riverboat, if under way and being hailed by a law enforcement officer or agent of the Board, must stop immediately and lay to.

(5) Employees of the Board shall have the right to be present on the riverboat or on adjacent facilities under the control of the licensee.

(6) Gambling equipment and supplies customarily used in conducting riverboat gambling must be purchased or leased only from suppliers licensed for such purpose under this Act.

(7) Persons licensed under this Act shall permit no form of wagering on gambling games except as permitted by this Act.

(8) Wagers may be received only from a person present on a licensed riverboat. No person present on a licensed riverboat shall place or attempt to place a wager on behalf of another person who is not present on the riverboat.

(9) Wagering shall not be conducted with money or other negotiable currency.

(10) A person under age 21 shall not be permitted on an area of a riverboat where gambling is being conducted, except for a person at least 18 years of age who is an employee of the riverboat gambling operation. No employee under age 21 shall perform any function involved in gambling by the patrons. No person under age 21 shall be permitted to make a wager under this Act.

(11) Gambling excursion cruises are permitted only when the waterway navigable stream for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit

the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.

(12) All tokens, chips or electronic cards used to make wagers must be purchased from a licensed owner either aboard a riverboat or at an onshore facility which has been approved by the Board and which is located where the riverboat docks. The tokens, chips or electronic cards may be purchased by means of an agreement under which the owner extends credit to the patron.

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4235

Such tokens, chips or electronic cards may be used while aboard the riverboat only for the purpose of making wagers on gambling games.

(13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, the Board may issue special event licenses allowing persons who are not otherwise licensed to conduct riverboat gambling to conduct such gambling on a specified date or series of dates. Riverboat gambling under such a license may take place on a riverboat not normally used for riverboat gambling. The Board shall establish standards, fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and limitations otherwise applicable under this Act. All such fees shall be deposited into the State Gaming Fund. All such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(14) In addition to the above, gambling must be conducted in accordance with all rules adopted by the Board.  
(Source: P.A. 86-1029; 86-1389; 87-826.)

(230 ILCS 10/11.2 new)

Sec. 11.2. Relocation of riverboat home dock.

(a) A licensee that was not conducting riverboat gambling on January 1, 1998 may apply to the Board for renewal and approval of relocation to a new home dock location authorized under Section 3(c) and the Board shall grant the application and approval upon receipt by the licensee of approval from the new municipality or county, as the case may be, in which the licensee wishes to relocate pursuant to Section 7(j).

(b) Any licensee that relocates its home dock pursuant to this Section shall attain a level of at least 20% minority or female ownership within a time period prescribed by the Board. For the purposes of this Section, the terms "female" and "minority person" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities for Minorities Act.

(230 ILCS 10/12) (from Ch. 120, par. 2412)

Sec. 12. Admission tax; fees.

(a) A tax is hereby imposed upon admissions ~~to gambling excursions~~ authorized pursuant to this Act at a rate of \$2 per person admitted. This admission tax is imposed upon the licensed owner conducting ~~the gambling excursion~~.

(1) ~~If tickets are issued which are good for more than one gambling excursion, The admission tax shall be paid for each admission person using the ticket on each gambling excursion for~~

~~which the ticket is used.~~

~~(2) (Blank). If free passes or complimentary admission tickets are issued, the licensee shall pay the same tax upon these passes or complimentary tickets as if they were sold at the regular and usual admission rate.~~

(3) The riverboat licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the riverboat.

(4) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(b) From the \$2 tax imposed under subsection (a), a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality, and a county shall receive \$1 for each person embarking on a riverboat docked within the county but outside the boundaries of any municipality. The municipality's or county's share shall be collected by the Board on behalf of the State

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4236

JOURNAL OF THE

[May 24, 1999]

and remitted quarterly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(c) The licensed owner shall pay the entire admission tax to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the owners license.

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

(Source: P.A. 86-1029; 86-1389; 87-205; 87-895.)

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

Sec. 13. Wagering tax; rate; distribution.

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

Beginning January 1, 1998, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

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

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

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

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

35% of annual adjusted gross receipts in excess of

\$100,000,000.

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

(b) Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Department of Revenue and the Department of State Police for the administration and enforcement of this Act.

(c-5) After the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of a riverboat (1) that relocates pursuant to Section 11.2, or (2) for which an owners license is initially issued after the effective date of this amendatory Act of 1999, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

(c-10) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal

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SENATE

4237

to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of a riverboat (1) that relocates pursuant to Section 11.2, or (2) for which an owners license is initially issued after the effective date of this amendatory Act of 1999, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

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

(c-25) After the payments required under subsections (b), (c), (c-5) and (c-15) have been made, an amount equal to 2% of the adjusted gross receipts of a riverboat (1) that relocates pursuant to Section 11.2, or (2) for which an owners license is initially issued after the effective date of this amendatory Act of 1999, whichever comes first, shall be paid from the State Gaming Fund into the State Universities Athletic Capital Improvement Fund.

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

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

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

(Source: P.A. 89-21, eff. 7-1-95; 90-548, eff. 12-4-97.)

(230 ILCS 10/18) (from Ch. 120, par. 2418)

Sec. 18. Prohibited Activities - Penalty.

(a) A person is guilty of a Class A misdemeanor for doing any of the following:

(1) ~~Conducting~~ ~~Operating~~ a gambling ~~excursion~~ where wagering is used or to be used without a license issued by the Board.

(2) ~~Conducting~~ ~~Operating~~ a gambling ~~excursion~~ where wagering is permitted other than in the manner specified by Section 11.

(b) A person is guilty of a Class B misdemeanor for doing any of the following:

(1) permitting a person under 21 years to make a wager; or

(2) violating paragraph (12) of subsection (a) of Section 11 of this Act.

(c) A person wagering or accepting a wager at any location outside the riverboat is subject to the penalties in paragraphs (1) or (2) of subsection (a) of Section 28-1 of the Criminal Code of 1961.

(d) A person commits a Class 4 felony and, in addition, shall be barred for life from riverboats under the jurisdiction of the Board, if the person does any of the following:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with a riverboat owner including,

but not limited to, an officer or employee of a licensed owner or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with a riverboat including, but not limited to, an officer or employee of a licensed owner, or holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(3) Uses or possesses with the intent to use a device to

assist:

- (i) In projecting the outcome of the game.
- (ii) In keeping track of the cards played.
- (iii) In analyzing the probability of the occurrence of an event relating to the gambling game.
- (iv) In analyzing the strategy for playing or betting to be used in the game except as permitted by the Board.
- (4) Cheats at a gambling game.
- (5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this Act.
- (6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.
- (7) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.
- (8) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.
- (9) Uses counterfeit chips or tokens in a gambling game.
- (10) Possesses any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game. This paragraph (10) does not apply to a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment.

(e) The possession of more than one of the devices described in subsection (d), paragraphs (3), (5) or (10) permits a rebuttable presumption that the possessor intended to use the devices for cheating.

An action to prosecute any crime occurring on a riverboat ~~during a gambling excursion~~ shall be tried in the county of the dock at which the riverboat is based.

(Source: P.A. 86-1029; 87-826.)

(30 ILCS 105/5.26b rep.)

(30 ILCS 105/5.211 rep.)

Section 20. The State Finance Act is amended by repealing Sections 5.26b and 5.211.

(230 ILCS 5/20.5 rep.)

(230 ILCS 5/26.6 rep.)

Section 25. The Illinois Horse Racing Act of 1975 is amended by repealing Sections 20.5 and 26.6.

Section 30. Inseverability. The provisions of this Act are mutually dependent and inseverable. If any provision is held invalid other than as applied to a particular person or circumstance, then this entire Act is invalid.

Section 99. Effective date. This Act takes effect upon becoming law, except that Sections 12 and 20 take effect January 1, 2000."

AMENDMENT NO. 5 TO SENATE BILL 1017

AMENDMENT NO. 5. Amend Senate Bill 1017, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 103, by replacing lines 8 through 14 with the following:

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

Under the rules, the foregoing **Senate Bill No. 1017**, with House Amendments numbered 3 and 5, was referred to the Secretary's Desk.

At the hour of 3:30 o'clock p.m., Senator Geo-Karis presiding.

**CONSIDERATION OF SENATE AMENDMENTS TO HOUSE BILLS  
ON SECRETARY'S DESK**

On motion of Senator Mahar, **House Bill No. 452**, with Senate Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Mahar moved that the Senate refuse to recede from its Amendments numbered 1, 2 and 3 to House Bill No. 452 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendments.

The motion prevailed.

The President appointed as such Committee on the part of the Senate, the following: Senators Klemm, Mahar, Watson, Demuzio and Molaro.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Rauschenberger, **House Bill No. 2518**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Rauschenberger moved that the Senate refuse to recede from its Amendment No. 1 to House Bill No. 2518 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

The President appointed as such Committee on the part of the Senate, the following: Senators Klemm, Maitland, Rauschenberger, Trotter and Welch.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Rauschenberger, **House Bill No. 2793**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Rauschenberger moved that the Senate refuse to recede from its Amendment No. 1 to House Bill No. 2793 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

The President appointed as such Committee on the part of the Senate, the following: Senators Klemm, Maitland, Rauschenberger, Trotter and Welch.

Ordered that the Secretary inform the House of Representatives thereof.

#### **CONSIDERATION OF HOUSE AMENDMENT TO SENATE BILL ON SECRETARY'S DESK**

On motion of Senator Lauzen, **Senate Bill No. 43**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Lauzen moved that the Senate non-concur with the House in the adoption of their amendment to said bill.

The motion prevailed.

And the Senate non-concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 43**.

Ordered that the Secretary inform the House of Representatives thereof.

#### **JOINT ACTION MOTIONS FILED**

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 890  
Motion to Concur in H.A.'s 1 & 3 to Senate Bill 876  
Motion to Concur in H.A.'s 3 & 5 to Senate Bill 1017

#### **LEGISLATIVE MEASURES FILED**

The following Conference Committee Reports have been filed with the Secretary, and referred to the Committee on Rules:

First Conference Committee Report to Senate Bill 338

**REPORTS FROM RULES COMMITTEE**

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SENATE

4241

Senator Weaver, Chairperson of the Committee on Rules, during its May 24, 1999 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Executive: **Motion to concur with House Amendments numbered 3 and 5 to Senate Bill No. 1017.**

Local Government: **Motions to concur with House Amendments numbered 1, 2 and 3 to Senate Bill No. 827; House Amendments numbered 2 and 3 to Senate Bill No. 933.**

State Government Operations: **Motion to concur with House Amendments numbered 1 and 3 to Senate Bill No. 876.**

Senator Weaver, Chairperson of the Committee on Rules, during its May 24, 1999 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: **First Conference Committee Report to Senate Bill 1014.**

Revenue: **First Conference Committee Report to Senate Bill 338.**

**COMMITTEE MEETING ANNOUNCEMENT**

Senator Klemm, Chairperson of the Committee on Executive announced that the Executive Committee will meet today in Room 212, Capitol Building, at 5:45 o'clock p.m.

**INTRODUCTION OF A BILL**

**SENATE BILL NO. 1242.** Introduced by Senator Rea, a bill for AN ACT regarding real property taxation.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Rules.

At the hour of 4:50 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

**AFTER RECESS**

At the hour of 8:07 o'clock p.m., the Senate resumed consideration of business.

Senator Maitland, presiding.

## LEGISLATIVE MEASURES FILED

The following Conference Committee Reports have been filed with the Secretary, and referred to the Committee on Rules:

First Conference Committee Report to Senate Bill 834  
First Conference Committee Report to Senate Bill 1088

## REPORT FROM STANDING COMMITTEE

Senator Klemm, Chairperson of the Committee on Executive, to which was referred the **First Conference Committee Report to Senate**

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4242

JOURNAL OF THE

[May 24, 1999]

**Bill No. 1014**, reported the same back with the recommendation that it be approved for consideration.

Under the rules, the foregoing Conference Committee Report was placed on the Senate Calendar.

Senator Klemm, Chairperson of the Committee on Executive, to which was referred the **Motion to concur with House Amendments numbered 3 and 5 to Senate Bill No. 1017**, reported the same back with the recommendation that the motion be approved for consideration.

Under the rules, the foregoing motion is eligible for consideration by the Senate.

## MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

### HOUSE BILL 134

A bill for AN ACT concerning veterans organizations.

Which amendments are as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 134.

Senate Amendment No. 3 to HOUSE BILL NO. 134.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 134**, with Senate Amendments numbered 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the

adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 427

A bill for AN ACT to create the Assisted Living and Shared Housing Act, amending named Acts.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 427.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 427**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 542

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SENATE

4243

A bill for AN ACT concerning taxation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 542.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 542**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 557

A bill for AN ACT to amend the Metropolitan Water Reclamation District Act by changing Sections 4.7 and 4.11.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 557.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 557**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 658

A bill for AN ACT concerning construction.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 658.  
Senate Amendment No. 2 to HOUSE BILL NO. 658.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 658**, with Senate Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by  
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1278

A bill for AN ACT in relation to cannabis and controlled substances.

Which amendment is as follows:

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4244

JOURNAL OF THE

[May 24, 1999]

Senate Amendment No. 2 to HOUSE BILL NO. 1278.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 1278**, with Senate Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by  
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1413

A bill for AN ACT to amend the Criminal Code of 1961 by adding Section 17-23.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1413.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 1413**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 1670

A bill for AN ACT to amend the School Code by changing Section 21-5.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1670.

Senate Amendment No. 2 to HOUSE BILL NO. 1670.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 1670**, with Senate Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 2166

A bill for AN ACT to amend the Comprehensive Health Insurance Plan Act by changing Section 8.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2166.

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SENATE

4245

Senate Amendment No. 2 to HOUSE BILL NO. 2166.

Non-concurred in by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

Under the rules, the foregoing **House Bill No. 2166**, with Senate Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage

of a bill of the following title, to-wit:

SENATE BILL NO. 1015

A bill for AN ACT concerning the Secretary of State.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1015

House Amendment No. 3 to SENATE BILL NO. 1015

Passed the House, as amended, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1015

AMENDMENT NO. 1. Amend Senate Bill 1015 as follows:  
on page 1, below line 11, by inserting the following:

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

AMENDMENT NO. 3 TO SENATE BILL 1015

AMENDMENT NO. 3. Amend Senate Bill 1015, AS AMENDED, as follows:  
immediately below the enacting clause, by inserting the following:

"Section 3. The Electronic Commerce Security Act is amended by adding Article 27 as follows:

(5 ILCS 175/Art. 27 heading new)

ARTICLE 27. ELECTRONIC COMMERCE SECURITY CERTIFICATION FUND

(5 ILCS 175/27-5 new)

Sec. 27-5. Electronic Commerce Security Certification Fund. Fees collected by the Secretary of State under Section 15-115 of this Act must be deposited into the Electronic Commerce Security Certification Fund, a special fund created in the State treasury. Subject to appropriation, moneys in the Fund shall be used by the Secretary of State for the administration of this Act."; and  
in Section 5, in the introductory clause, by replacing "Section 5.490" with "Sections 5.490 and 5.491"; and  
in Section 5, after the end of Sec. 5.490, by inserting the following:

"(30 ILCS 105/5.491 new)

Sec. 5.491. The Electronic Commerce Security Certification Fund."; and

after the end of Section 10, by inserting the following:

"Section 99. Effective date. This Act takes effect on July 1, 1999."

Under the rules, the foregoing **Senate Bill No. 1015**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has recessed from their amendment no. 1 to a

bill of the following title, to-wit:

SENATE BILL NO. 304

AN ACT to amend the Criminal Code of 1961 by changing Section 12-4.

Action taken by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has receded from their amendment no. 1 to a bill of the following title, to-wit:

SENATE BILL NO. 578

AN ACT to amend the Illinois Vehicle Code by changing Sections 11-501.4-1.

Action taken by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has receded from their amendments numbered 1, 2 and 3 to a bill of the following title, to-wit:

SENATE BILL NO. 680

AN ACT to amend the Illinois Public Aid Code by adding Section 9A-14.

Action taken by the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO 840

A bill for AN ACT relating to school construction projects, amending named Acts.

Passed the House, May 24, 1999.

ANTHONY D. ROSSI, Clerk of the House

**CONSIDERATION OF SENATE AMENDMENTS TO HOUSE BILLS  
ON SECRETARY'S DESK**

On motion of Senator Lauzen, **House Bill No. 134**, with Senate Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Lauzen moved that the Senate refuse to recede from its Amendments numbered 2 and 3 to House Bill No. 134 and that a First

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Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendments.

The motion prevailed.

On motion of Senator Fawell, **House Bill No. 427**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Fawell moved that the Senate refuse to recede from its Amendment No. 1 to House Bill No. 427 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

On motion of Senator Burzynski, **House Bill No. 542**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Burzynski moved that the Senate refuse to recede from its Amendment No. 1 to House Bill No. 542 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

On motion of Senator Viverito, **House Bill No. 557**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Viverito moved that the Senate refuse to recede from its Amendment No. 1 to House Bill No. 557 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

On motion of Senator Karpel, **House Bill No. 658**, with Senate Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Karpel moved that the Senate refuse to recede from its Amendments numbered 1 and 2 to House Bill No. 658 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendments.

The motion prevailed.

On motion of Senator Bowles, **House Bill No. 1278**, with Senate Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bowles moved that the Senate refuse to recede from its Amendment No. 2 to House Bill No. 1278 and that a First Committee of

Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

On motion of Senator Peterson, **House Bill No. 1413**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Peterson moved that the Senate refuse to recede from its

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4248

JOURNAL OF THE

[May 24, 1999]

Amendment No. 1 to House Bill No. 1413 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

On motion of Senator Cronin, **House Bill No. 1670**, with Senate Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cronin moved that the Senate refuse to recede from its Amendments numbered 1 and 2 to House Bill No. 1670 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendments.

The motion prevailed.

On motion of Senator R. Madigan, **House Bill No. 2166**, with Senate Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator R. Madigan moved that the Senate refuse to recede from its Amendments numbered 1 and 2 to House Bill No. 2166 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendments.

The motion prevailed.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

Senator Watson, from the Committee appointed on the part of the Senate to adjust the differences between the two Houses on House Amendment No. 1 to **Senate Bill No. 1014**, submitted the following Report of the First Conference Committee and moved its adoption:

91ST GENERAL ASSEMBLY  
CONFERENCE COMMITTEE REPORT  
ON SENATE BILL 1014

To the President of the Senate and the Speaker of the House of Representatives:

We, the conference committee appointed to consider the differences between the houses in relation to House Amendment No. 1

to Senate Bill 1014, recommend the following:

(1) that the House recede from House Amendment No. 1; and

(2) that Senate Bill 1014 be amended by replacing everything after the enacting clause with the following:

"Section 5. The State Treasurer Act is amended by adding Section 16.5, as follows:

(15 ILCS 505/16.5 new)

Sec. 16.5 College Savings Pool. The State Treasurer may establish and administer a College Savings Pool to supplement and enhance the investment opportunities otherwise available to persons seeking to finance the costs of higher education. The Treasurer, in administering the College Savings Pool, may receive moneys paid into the pool by a participant and may serve as the fiscal agent of that participant for the purpose of holding and investing those moneys.

"Participant", as used in this Section, means any person that makes investments in the pool. "Designated beneficiary", as used in this Section, means any person on whose behalf an account is established in the College Savings Pool by a participant. Both

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SENATE

4249

in-state and out-of-state persons may be participants and designated beneficiaries in the College Savings Pool.

New accounts in the College Savings Pool shall be processed through participating financial institutions. "Participating financial institution", as used in this Section, means any financial institution insured by the Federal Deposit Insurance Corporation and lawfully doing business in the State of Illinois and any credit union approved by the State Treasurer and lawfully doing business in the State of Illinois that agrees to process new accounts in the College Savings Pool. Participating financial institutions may charge a processing fee to participants to open an account in the pool that shall not exceed \$30 until the year 2001. Beginning in 2001 and every year thereafter, the maximum fee limit shall be adjusted by the Treasurer based on the Consumer Price Index for the North Central Region as published by the United States Department of Labor, Bureau of Labor Statistics for the immediately preceding calendar year. Every contribution received by a financial institution for investment in the College Savings Pool shall be transferred from the financial institution to a location selected by the State Treasurer within one business day following the day that the funds must be made available in accordance with federal law. All communications from the State Treasurer to participants shall reference the participating financial institution at which the account was processed.

The Treasurer may invest the moneys in the College Savings Pool in the same manner, in the same types of investments, and subject to the same limitations provided for the investment of moneys by the Illinois State Board of Investment. To enhance the safety and liquidity of the College Savings Pool, to ensure the diversification of the investment portfolio of the pool, and in an effort to keep investment dollars in the State of Illinois, the State Treasurer shall make a percentage of each account available for investment in participating financial institutions doing business in the State. The State Treasurer shall deposit with the participating financial institution at which the account was processed the following

percentage of each account at a prevailing rate offered by the institution, provided that the deposit is federally insured or fully collateralized and the institution accepts the deposit: 10% of the total amount of each account for which the current age of the beneficiary is less than 7 years of age, 20% of the total amount of each account for which the beneficiary is at least 7 years of age and less than 12 years of age, and 50% of the total amount of each account for which the current age of the beneficiary is at least 12 years of age. The State Treasurer shall adjust each account at least annually to ensure compliance with this Section. The Treasurer shall develop, publish, and implement an investment policy covering the investment of the moneys in the College Savings Pool. The policy shall be published (i) at least once each year in at least one newspaper of general circulation in both Springfield and Chicago and (ii) each year as part of the audit of the College Savings Pool by the Auditor General, which shall be distributed to all participants. The Treasurer shall notify all participants in writing, and the Treasurer shall publish in a newspaper of general circulation in both Chicago and Springfield, any changes to the previously published investment policy at least 30 calendar days before implementing the policy. Any investment policy adopted by the Treasurer shall be reviewed and updated if necessary within 90 days following the date that the State Treasurer takes office.

Participants shall be required to use moneys distributed from the College Savings Pool for qualified expenses at eligible educational institutions. "Qualified expenses", as used in this Section, means the following: (i) tuition, fees, and the costs of books, supplies,

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and equipment required for enrollment or attendance at an eligible educational institution and (ii) certain room and board expenses incurred while attending an eligible educational institution at least half-time. "Eligible educational institutions", as used in this Section, means public and private colleges, junior colleges, graduate schools, and certain vocational institutions that are described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) and that are eligible to participate in Department of Education student aid programs. A student shall be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic work load for the course of study the student is pursuing as determined under the standards of the institution at which the student is enrolled. Distributions made from the pool for qualified expenses shall be made directly to the eligible educational institution, directly to a vendor, or in the form of a check payable to both the beneficiary and the institution or vendor. Any moneys that are distributed in any other manner or that are used for expenses other than qualified expenses at an eligible educational institution shall be subject to a penalty of 10% of the earnings unless the beneficiary dies, becomes disabled, or receives a scholarship that equals or exceeds the distribution. Penalties shall be withheld at the time the distribution is made.

The Treasurer shall limit the contributions that may be made on behalf of a designated beneficiary based on an actuarial estimate of what is required to pay tuition, fees, and room and board for 5

undergraduate years at the highest cost eligible educational institution. The contributions made on behalf of a beneficiary who is also a beneficiary under the Illinois Prepaid Tuition Program shall be further restricted to ensure that the contributions in both programs combined do not exceed the limit established for the College Savings Pool. The Treasurer shall provide the Illinois Student Assistance Commission each year at a time designated by the Commission, an electronic report of all participant accounts in the Treasurer's College Savings Pool, listing total contributions and disbursements from each individual account during the previous calendar year. As soon thereafter as is possible following receipt of the Treasurer's report, the Illinois Student Assistance Commission shall, in turn, provide the Treasurer with an electronic report listing those College Savings Pool participants who also participate in the State's prepaid tuition program, administered by the Commission. The Commission shall be responsible for filing any combined tax reports regarding State qualified savings programs required by the United States Internal Revenue Service. The Treasurer shall work with the Illinois Student Assistance Commission to coordinate the marketing of the College Savings Pool and the Illinois Prepaid Tuition Program when considered beneficial by the Treasurer and the Director of the Illinois Student Assistance Commission. The Treasurer's office shall not publicize or otherwise market the College Savings Pool or accept any moneys into the College Savings Pool prior to March 1, 2000. The Treasurer shall provide a separate accounting for each designated beneficiary to each participant, the Illinois Student Assistance Commission, and the participating financial institution at which the account was processed. No interest in the program may be pledged as security for a loan.

The Treasurer shall adopt rules he or she considers necessary for the efficient administration of the College Savings Pool. The rules shall provide whatever additional parameters and restrictions are necessary to ensure that the College Savings Pool meets all of the requirements for a qualified state tuition program under Section 529 of the Internal Revenue Code (26 U.S.C. 52). The rules shall provide

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SENATE

4251

for the administration expenses of the pool to be paid from its earnings and for the investment earnings in excess of the expenses and all moneys collected as penalties to be credited or paid monthly to the several participants in the pool in a manner which equitably reflects the differing amounts of their respective investments in the pool and the differing periods of time for which those amounts were in the custody of the pool. Also, the rules shall require the maintenance of records that enable the Treasurer's office to produce a report for each account in the pool at least annually that documents the account balance and investment earnings. Notice of any proposed amendments to the rules and regulations shall be provided to all participants prior to adoption. Amendments to rules and regulations shall apply only to contributions made after the adoption of the amendment.

Upon creating the College Savings Pool, the State Treasurer shall give bond with 2 or more sufficient sureties, payable to and for the

benefit of the participants in the College Savings Pool, in the penal sum of \$1,000,000, conditioned upon the faithful discharge of his or her duties in relation to the College Savings Pool."

Submitted on May 24, 1999

s/Sen. Frank Watson  
s/Sen. Dick Klemm  
s/Sen. Edward Petka  
s/Sen. William Shaw  
s/Sen. Vince Demuzio  
Committee for the Senate

s/Rep. Douglas P. Scott  
s/Rep. Michael J. Madigan  
s/Rep. Barbara Flynn Currie  
s/Rep. Art Tenhouse  
Rep. Kathleen Wojcik  
Committee for the House

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Berman	Halvorson	Maitland	Shaw
Bomke	Hawkinson	Molaro	Sieben
Bowles	Hendon	Munoz	Silverstein
Burzynski	Jacobs	Myers	Smith
Clayborne	Jones, E.	Noland	Sullivan
Cronin	Jones, W.	Obama	Syverson
Cullerton	Karpiel	O'Daniel	Trotter
DeLeo	Klemm	O'Malley	Viverito
del Valle	Lauzen	Parker	Walsh, L.
Demuzio	Lightford	Peterson	Walsh, T.
Dillard	Link	Petka	Watson
Donahue	Luechtefeld	Radogno	Weaver
Dudycz	Madigan, L.	Rauschenberger	Welch
Fawell	Madigan, R.	Rea	Mr. President
Geo-Karis	Mahar	Shadid	

The motion prevailed.

And the Senate adopted the Report of the First Conference Committee on Senate Bill No. 1014.

Ordered that the Secretary inform the House of Representatives thereof.

#### JOINT ACTION MOTION FILED

The following Joint Action Motion to the Senate Bill listed below

4252

JOURNAL OF THE

[May 24, 1999]

has been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in H.A.'s 1 & 3 to Senate Bill 1015

Senator Smith asked and obtained unanimous consent to recess for the purpose of a Democrat caucus.

At the hour of 8:27 o'clock p.m., the Chair announced that the Senate stand at recess until 9:00 o'clock p.m.

**AFTER RECESS**

At the hour of 9:15 o'clock p.m., the Senate resumed consideration of business.

Senator Maitland, presiding.

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILL  
ON SECRETARY'S DESK**

On motion of Senator Weaver, **Senate Bill No. 1017**, with House Amendments numbered 3 and 5 on the Secretary's Desk, was taken up for immediate consideration.

Senator Weaver moved that the Senate concur with the House in the adoption of their amendments to said bill.

Pending roll call, on motion of Senator Weaver, further consideration of **Senate Bill No. 1017** with House Amendments numbered 3 and 5 was postponed.

At the hour of 10:51 o'clock p.m., on motion of Senator Geo-Karis, the Senate stood adjourned until Tuesday, May 25, 1999 at 1:00 o'clock p.m.