



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB4168

Introduced 3/5/2026, by Sen. Michael E. Hastings

SYNOPSIS AS INTRODUCED:

New Act
720 ILCS 5/28-1

from Ch. 38, par. 28-1

Creates the Prediction Markets Regulation and Taxation Act. Includes findings and legislative intent provisions. Provides that no person shall operate a prediction market offering qualifying prediction market contracts to Illinois residents without first obtaining a master prediction market license from the Illinois Gaming Board and paying a \$1,000,000 license fee to the Board. Provides that the master prediction market license is renewable annually upon payment of a \$1,000,000 renewal fee and a determination of the Board that the licensee meets the requirements of the Act and the Board's rules. Requires the Board to adopt rules for licensing and establishes provisions concerning construction of the Act. Provides that the State shall impose and collect a privilege tax equal to 50% of a platform operator's adjusted gross receipts derived from qualifying prediction market contracts placed by or with Illinois residents. Sets forth provisions concerning additional requirements for the tax. Provides that violation of the Act shall constitute unlicensed gambling under the Criminal Code of 2012 and may result in cease and desist orders, civil penalties, license revocation, or referral for criminal prosecution. Grants the Board rulemaking authority to implement the Act. Amends the Criminal Code of 2012. Provides that, in addition to existing provisions, a person commits gambling when the person knowingly violates the Prediction Markets Regulation and Taxation Act.

LRB104 21101 BAB 35267 b

1 AN ACT concerning gaming.

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

4 Section 1. Short title. This Act may be cited as the
5 Prediction Markets Regulation and Taxation Act.

6 Section 5. Findings; legislative intent.

7 (a) The General Assembly finds that:

8 (1) Prediction markets, when limited to nonsports
9 events, serve a legitimate informational and hedging
10 function by aggregating dispersed knowledge about future
11 uncertain outcomes, contributing to more accurate public
12 forecasting and risk management.

13 (2) Such markets constitute a justified form of
14 gambling activity under State authority when properly
15 regulated to protect consumers, ensure integrity, prevent
16 fraud, and generate revenue for public purposes.

17 (3) Traditional sports wagering and casino gaming,
18 including, but not limited to, slot machines, table games,
19 and video gaming, are already comprehensively regulated
20 and taxed under the Illinois Gambling Act, the Sports
21 Wagering Act, and related statutes and shall remain
22 subject to those exclusive frameworks.

23 (4) To protect the integrity of existing licensed

1 gaming industries and prevent market overlap or evasion,
2 sports event contracts and casino-style games shall be
3 expressly excluded from this Act.

4 (b) It is the intent of the General Assembly to regulate
5 qualifying prediction markets separately, impose appropriate
6 consumer protections, and tax such activity at a rate that
7 reflects its economic and revenue potential while ensuring
8 competitiveness.

9 Section 10. Definitions. In this Act:

10 "Adjusted gross receipts" means the total of all amounts
11 received from qualifying prediction market contracts less
12 payouts to participants, platform fees not attributable to
13 gambling outcomes, and any other deductions authorized by the
14 Board, consistent with definitions in the Sports Wagering Act.

15 "Board" means the Illinois Gaming Board.

16 "Platform operator" means any person or entity operating a
17 prediction market that offers qualifying prediction market
18 contracts to persons located in Illinois.

19 "Prediction market" means a platform or exchange where
20 participants trade contracts whose value is derived from the
21 outcome of future events, excluding any sports event
22 contracts.

23 "Qualifying prediction market contract" means a binary or
24 multi-outcome contract traded on a prediction market platform
25 where the payoff depends on the resolution of a nonsports

1 event, including, but not limited to, political elections,
2 economic indicators, regulatory decisions, weather phenomena,
3 award ceremonies, entertainment events, or other verifiable
4 real-world outcomes, as determined by the Board.

5 "Sports event contract" means a contract based on the
6 outcome of athletic contests, sporting events, or any portion
7 thereof.

8 Section 15. Regulation and licensing.

9 (a) No person shall operate a prediction market offering
10 qualifying prediction market contracts to Illinois residents
11 without first obtaining a master prediction market license
12 from the Board. A platform operator shall pay an initial
13 master prediction market license fee of \$1,000,000 to the
14 Board before the license is issued, and the initial master
15 prediction market license shall be valid for a period of 12
16 months. The master prediction market license is renewable
17 annually upon payment of a \$1,000,000 renewal fee and a
18 determination of the Board that the licensee meets the
19 requirements of this Act and the Board's rules.

20 (b) The Board shall adopt rules for licensing, including,
21 but not limited to:

22 (1) age restrictions for people under 21 years of age;

23 (2) geofencing to prevent access from prohibited
24 jurisdictions;

25 (3) anti-money-laundering compliance;

- 1 (4) responsible gambling tools;
2 (5) market integrity monitoring; and
3 (6) reporting requirements.

4 (c) This Act does not authorize or regulate sports
5 wagering as defined in the Sports Wagering Act or gambling
6 games authorized under the Illinois Gambling Act. Any platform
7 offering sports event contracts or casino games remains
8 subject to those Acts and any applicable cease and desist
9 orders or enforcement actions.

10 Section 20. Taxation.

11 (a) For the privilege of operating under this Act, the
12 State shall impose and collect a privilege tax equal to 50% of
13 a platform operator's adjusted gross receipts derived from
14 qualifying prediction market contracts placed by or with
15 Illinois residents.

16 (b) The tax shall be remitted monthly to the Board and
17 deposited into the General Revenue Fund or a dedicated fund as
18 determined by appropriation, subject to the Board's
19 administrative rules.

20 (c) No additional per-wager fees, surcharges, or graduated
21 rates as in existence under the Sports Wagering Act shall
22 apply to qualifying prediction market activity under this Act.

23 (d) Platform operators shall file monthly returns and
24 maintain records sufficient for audit, consistent with
25 procedures under the Sports Wagering Act.

1 Section 25. Enforcement and penalties.

2 (a) Violation of this Act, including unlicensed operation
3 or offering excluded sports event contracts, shall constitute
4 unlicensed gambling under Section 28-1 of the Criminal Code of
5 2012 and may result in cease and desist orders, civil
6 penalties, license revocation, or referral for criminal
7 prosecution.

8 (b) The Board shall have rulemaking authority to implement
9 this Act, including defining excludable events and resolving
10 jurisdictional overlaps.

11 Section 30. The Criminal Code of 2012 is amended by
12 changing Section 28-1 as follows:

13 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

14 Sec. 28-1. Gambling.

15 (a) A person commits gambling when he or she:

16 (1) knowingly plays a game of chance or skill for
17 money or other thing of value, unless excepted in
18 subsection (b) of this Section;

19 (2) knowingly makes a wager upon the result of any
20 game, contest, or any political nomination, appointment or
21 election;

22 (3) knowingly operates, keeps, owns, uses, purchases,
23 exhibits, rents, sells, bargains for the sale or lease of,

1 manufactures or distributes any gambling device;

2 (4) contracts to have or give himself or herself or
3 another the option to buy or sell, or contracts to buy or
4 sell, at a future time, any grain or other commodity
5 whatsoever, or any stock or security of any company, where
6 it is at the time of making such contract intended by both
7 parties thereto that the contract to buy or sell, or the
8 option, whenever exercised, or the contract resulting
9 therefrom, shall be settled, not by the receipt or
10 delivery of such property, but by the payment only of
11 differences in prices thereof; however, the issuance,
12 purchase, sale, exercise, endorsement or guarantee, by or
13 through a person registered with the Secretary of State
14 pursuant to Section 8 of the Illinois Securities Law of
15 1953, or by or through a person exempt from such
16 registration under said Section 8, of a put, call, or
17 other option to buy or sell securities which have been
18 registered with the Secretary of State or which are exempt
19 from such registration under Section 3 of the Illinois
20 Securities Law of 1953 is not gambling within the meaning
21 of this paragraph (4);

22 (5) knowingly owns or possesses any book, instrument
23 or apparatus by means of which bets or wagers have been, or
24 are, recorded or registered, or knowingly possesses any
25 money which he has received in the course of a bet or
26 wager;

1 (6) knowingly sells pools upon the result of any game
2 or contest of skill or chance, political nomination,
3 appointment or election;

4 (7) knowingly sets up or promotes any lottery or
5 sells, offers to sell or transfers any ticket or share for
6 any lottery;

7 (8) knowingly sets up or promotes any policy game or
8 sells, offers to sell or knowingly possesses or transfers
9 any policy ticket, slip, record, document or other similar
10 device;

11 (9) knowingly drafts, prints or publishes any lottery
12 ticket or share, or any policy ticket, slip, record,
13 document or similar device, except for such activity
14 related to lotteries, bingo games and raffles authorized
15 by and conducted in accordance with the laws of Illinois
16 or any other state or foreign government;

17 (10) knowingly advertises any lottery or policy game,
18 except for such activity related to lotteries, bingo games
19 and raffles authorized by and conducted in accordance with
20 the laws of Illinois or any other state;

21 (11) knowingly transmits information as to wagers,
22 betting odds, or changes in betting odds by telephone,
23 telegraph, radio, semaphore or similar means; or knowingly
24 installs or maintains equipment for the transmission or
25 receipt of such information; except that nothing in this
26 subdivision (11) prohibits transmission or receipt of such

1 information for use in news reporting of sporting events
2 or contests; ~~or~~

3 (12) knowingly establishes, maintains, or operates an
4 Internet site that permits a person to play a game of
5 chance or skill for money or other thing of value by means
6 of the Internet or to make a wager upon the result of any
7 game, contest, political nomination, appointment, or
8 election by means of the Internet. This item (12) does not
9 apply to activities referenced in items (6), (6.1), (8),
10 (8.1), and (15) of subsection (b) of this Section; or ~~or~~

11 (13) knowingly violates the Prediction Markets
12 Regulation and Taxation Act, including unlicensed
13 operation and offering excluded sports event contracts.

14 (b) Participants in any of the following activities shall
15 not be convicted of gambling:

16 (1) Agreements to compensate for loss caused by the
17 happening of chance including without limitation contracts
18 of indemnity or guaranty and life or health or accident
19 insurance.

20 (2) Offers of prizes, award or compensation to the
21 actual contestants in any bona fide contest for the
22 determination of skill, speed, strength or endurance or to
23 the owners of animals or vehicles entered in such contest.

24 (3) Pari-mutuel betting as authorized by the law of
25 this State.

26 (4) Manufacture of gambling devices, including the

1 acquisition of essential parts therefor and the assembly
2 thereof, for transportation in interstate or foreign
3 commerce to any place outside this State when such
4 transportation is not prohibited by any applicable Federal
5 law; or the manufacture, distribution, or possession of
6 video gaming terminals, as defined in the Video Gaming
7 Act, by manufacturers, distributors, and terminal
8 operators licensed to do so under the Video Gaming Act.

9 (5) The game commonly known as "bingo", when conducted
10 in accordance with the Bingo License and Tax Act.

11 (6) Lotteries when conducted by the State of Illinois
12 in accordance with the Illinois Lottery Law. This
13 exemption includes any activity conducted by the
14 Department of Revenue to sell lottery tickets pursuant to
15 the provisions of the Illinois Lottery Law and its rules.

16 (6.1) The purchase of lottery tickets through the
17 Internet for a lottery conducted by the State of Illinois
18 under the program established in Section 7.12 of the
19 Illinois Lottery Law.

20 (7) Possession of an antique slot machine that is
21 neither used nor intended to be used in the operation or
22 promotion of any unlawful gambling activity or enterprise.
23 For the purpose of this subparagraph (b)(7), an antique
24 slot machine is one manufactured 25 years ago or earlier.

25 (8) Raffles and poker runs when conducted in
26 accordance with the Raffles and Poker Runs Act.

1 (8.1) The purchase of raffle chances for a raffle
2 conducted in accordance with the Raffles and Poker Runs
3 Act.

4 (9) Charitable games when conducted in accordance with
5 the Charitable Games Act.

6 (10) Pull tabs and jar games when conducted under the
7 Illinois Pull Tabs and Jar Games Act.

8 (11) Gambling games when authorized by the Illinois
9 Gambling Act.

10 (12) Video gaming terminal games at a licensed
11 establishment, licensed truck stop establishment, licensed
12 large truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment when
14 conducted in accordance with the Video Gaming Act.

15 (13) Games of skill or chance where money or other
16 things of value can be won but no payment or purchase is
17 required to participate.

18 (14) Savings promotion raffles authorized under
19 Section 5g of the Illinois Banking Act, Section 7008 of
20 the Savings Bank Act, Section 42.7 of the Illinois Credit
21 Union Act, Section 5136B of the National Bank Act (12
22 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12
23 U.S.C. 1463).

24 (15) Sports wagering when conducted in accordance with
25 the Sports Wagering Act.

26 (c) Sentence.

1 Gambling is a Class A misdemeanor. A second or subsequent
2 conviction under subsections (a)(3) through (a)(12), is a
3 Class 4 felony.

4 (d) Circumstantial evidence.

5 In prosecutions under this Section circumstantial evidence
6 shall have the same validity and weight as in any criminal
7 prosecution.

8 (Source: P.A. 101-31, Article 25, Section 25-915, eff.
9 6-28-19; 101-31, Article 35, Section 35-80, eff. 6-28-19;
10 101-109, eff. 7-19-19; 102-558, eff. 8-20-21.)