

SB2686



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2686

Introduced 1/20/2006, by Sen. Louis S. Viverito

SYNOPSIS AS INTRODUCED:

230 ILCS 10/13

from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Provides for distribution of a percentage of the local share of the adjusted gross receipts from a riverboat to a Council of Government, if any, or the Department of Revenue for distribution to certain municipalities within the same county as the home dock of the riverboat. Exempts a riverboat with a home dock located in a municipality with a population in excess of 500,000 from the provisions. Effective immediately.

LRB094 18704 AMC 54069 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

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

6 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

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

18 20% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 25% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$75,000,000;

22 30% of annual adjusted gross receipts in excess of
23 \$75,000,000 but not exceeding \$100,000,000;

24 35% of annual adjusted gross receipts in excess of
25 \$100,000,000.

26 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
27 is imposed on persons engaged in the business of conducting
28 riverboat gambling operations, other than licensed managers
29 conducting riverboat gambling operations on behalf of the
30 State, based on the adjusted gross receipts received by a
31 licensed owner from gambling games authorized under this Act at
32 the following rates:

1 15% of annual adjusted gross receipts up to and
2 including \$25,000,000;

3 22.5% of annual adjusted gross receipts in excess of
4 \$25,000,000 but not exceeding \$50,000,000;

5 27.5% of annual adjusted gross receipts in excess of
6 \$50,000,000 but not exceeding \$75,000,000;

7 32.5% of annual adjusted gross receipts in excess of
8 \$75,000,000 but not exceeding \$100,000,000;

9 37.5% of annual adjusted gross receipts in excess of
10 \$100,000,000 but not exceeding \$150,000,000;

11 45% of annual adjusted gross receipts in excess of
12 \$150,000,000 but not exceeding \$200,000,000;

13 50% of annual adjusted gross receipts in excess of
14 \$200,000,000.

15 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
16 persons engaged in the business of conducting riverboat
17 gambling operations, other than licensed managers conducting
18 riverboat gambling operations on behalf of the State, based on
19 the adjusted gross receipts received by a licensed owner from
20 gambling games authorized under this Act at the following
21 rates:

22 15% of annual adjusted gross receipts up to and
23 including \$25,000,000;

24 27.5% of annual adjusted gross receipts in excess of
25 \$25,000,000 but not exceeding \$37,500,000;

26 32.5% of annual adjusted gross receipts in excess of
27 \$37,500,000 but not exceeding \$50,000,000;

28 37.5% of annual adjusted gross receipts in excess of
29 \$50,000,000 but not exceeding \$75,000,000;

30 45% of annual adjusted gross receipts in excess of
31 \$75,000,000 but not exceeding \$100,000,000;

32 50% of annual adjusted gross receipts in excess of
33 \$100,000,000 but not exceeding \$250,000,000;

34 70% of annual adjusted gross receipts in excess of
35 \$250,000,000.

36 An amount equal to the amount of wagering taxes collected

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

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

16 (a-4) Beginning on the first day on which the tax imposed
17 under subsection (a-3) is no longer imposed, a privilege tax is
18 imposed on persons engaged in the business of conducting
19 riverboat gambling operations, other than licensed managers
20 conducting riverboat gambling operations on behalf of the
21 State, based on the adjusted gross receipts received by a
22 licensed owner from gambling games authorized under this Act at
23 the following rates:

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

26 22.5% of annual adjusted gross receipts in excess of
27 \$25,000,000 but not exceeding \$50,000,000;

28 27.5% of annual adjusted gross receipts in excess of
29 \$50,000,000 but not exceeding \$75,000,000;

30 32.5% of annual adjusted gross receipts in excess of
31 \$75,000,000 but not exceeding \$100,000,000;

32 37.5% of annual adjusted gross receipts in excess of
33 \$100,000,000 but not exceeding \$150,000,000;

34 45% of annual adjusted gross receipts in excess of
35 \$150,000,000 but not exceeding \$200,000,000;

36 50% of annual adjusted gross receipts in excess of

1 \$200,000,000.

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

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

8 (a-15) If the privilege tax imposed under subsection (a-3)
9 is no longer imposed pursuant to item (i) of the last paragraph
10 of subsection (a-3), then by June 15 of each year, each owners
11 licensee, other than an owners licensee that admitted 1,000,000
12 persons or fewer in calendar year 2004, must, in addition to
13 the payment of all amounts otherwise due under this Section,
14 pay to the Board the amount, if any, by which the base amount
15 for the licensed owner exceeds the amount of tax paid under
16 this Section by the licensed owner in the then current State
17 fiscal year. The obligation imposed by this subsection (a-15)
18 is binding on any person, firm, corporation, or other entity
19 that acquires an ownership interest in any such owners license.
20 The obligation imposed under this subsection (a-15) terminates
21 on the earliest of: (i) July 1, 2007, (ii) the first day after
22 the effective date of this amendatory Act of the 94th General
23 Assembly that riverboat gambling operations are conducted
24 pursuant to a dormant license, (iii) the first day that
25 riverboat gambling operations are conducted under the
26 authority of an owners license that is in addition to the 10
27 owners licenses initially authorized under this Act, or (iv)
28 the first day that a licensee under the Illinois Horse Racing
29 Act of 1975 conducts gaming operations with slot machines or
30 other electronic gaming devices. The Board must reduce the
31 obligation imposed under this subsection (a-15) by an amount
32 the Board deems reasonable for any of the following reasons:
33 (A) an act or acts of God, (B) an act of bioterrorism or
34 terrorism or a bioterrorism or terrorism threat that was
35 investigated by a law enforcement agency, or (C) a condition
36 beyond the control of the owners licensee that does not result

1 from any act or omission by the owners licensee or any of its
2 agents and that poses a hazardous threat to the health and
3 safety of patrons. If an owners licensee pays an amount in
4 excess of its liability under this Section, the Board shall
5 apply the overpayment to future payments required under this
6 Section.

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

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

12 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

23 (b) Until January 1, 1998, 25% of the tax revenue deposited
24 in the State Gaming Fund under this Section shall be paid,
25 subject to appropriation by the General Assembly, to the unit
26 of local government which is designated as the home dock of the
27 riverboat. Beginning January 1, 1998, from the tax revenue
28 deposited in the State Gaming Fund under this Section, an
29 amount equal to 5% of adjusted gross receipts generated by a
30 riverboat shall be paid monthly, subject to appropriation by
31 the General Assembly, to the unit of local government that is
32 designated as the home dock of the riverboat. From the tax
33 revenue deposited in the State Gaming Fund pursuant to
34 riverboat gambling operations conducted by a licensed manager
35 on behalf of the State, an amount equal to 5% of adjusted gross
36 receipts generated pursuant to those riverboat gambling

1 operations shall be paid monthly, subject to appropriation by
2 the General Assembly, to the unit of local government that is
3 designated as the home dock of the riverboat upon which those
4 riverboat gambling operations are conducted.

5 (b-5) On and after the date an owners license for a
6 riverboat is first issued or renewed on or after the effective
7 date of this amendatory Act of the 94th General Assembly, the
8 5% of adjusted gross receipts to be paid, subject to
9 appropriation, under subsection (b) to the unit of local
10 government that is designated as the home dock of the riverboat
11 upon which those riverboat gambling operations are conducted
12 shall be distributed as follows:

13 (1) 50% shall be distributed to the unit of local
14 government that is designated as the home dock of the
15 riverboat upon which those riverboat gambling operations
16 are conducted.

17 (2) 50% shall be distributed, through the recognized
18 Council of Government that represents participating
19 municipalities or, if no Council of Government represents
20 those municipalities, through the Department of Revenue,
21 as follows:

22 (A) 2% shall be retained by the Council of
23 Government or the Department of Revenue for
24 administrative costs associated with the distribution;

25 (B) 49% shall be distributed in equal shares among
26 participating municipalities;

27 (C) 49% shall be distributed among participating
28 municipalities in shares based on population.

29 If more than one Council of Government represents
30 participating municipalities, the monies distributed under
31 this subsection (b-5) shall be distributed through each of the
32 recognized Councils of Government and the monies distributed
33 under subparagraph (A) of paragraph (2) of this subsection
34 (b-5) shall be divided equally among those Councils of
35 Government.

36 This subsection (b-5) does not apply to a riverboat with a

1 home dock located in a municipality with a population in excess
2 of 500,000.

3 For the purposes of this subsection (b-5), "participating
4 municipality" means a municipality (i) located in the county in
5 which the unit of local government that is designated as the
6 home dock of the riverboat upon which those riverboat gambling
7 operations are conducted is located and (ii) opts to
8 participate in the revenue sharing described in this subsection
9 (b-5) in a manner determined by the Council of Government or
10 the Department of Revenue. "Participating municipality" does
11 not include the unit of local government that is designated as
12 the home dock of the riverboat.

13 (c) Appropriations, as approved by the General Assembly,
14 may be made from the State Gaming Fund to the Department of
15 Revenue and the Department of State Police for the
16 administration and enforcement of this Act, or to the
17 Department of Human Services for the administration of programs
18 to treat problem gambling.

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

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

33 (c-15) After the payments required under subsections (b),
34 (c), and (c-5) have been made, an amount equal to 2% of the
35 adjusted gross receipts of (1) an owners licensee that
36 relocates pursuant to Section 11.2, (2) an owners licensee

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

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

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

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

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

33 (f) To the extent practicable, the Board shall administer
34 and collect the wagering taxes imposed by this Section in a
35 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
36 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the

1 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act.

3 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,
4 eff. 8-23-05.)

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