



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2894

Introduced 2/15/2008, by Sen. Rickey R. Hendon

SYNOPSIS AS INTRODUCED:

230 ILCS 10/13 from Ch. 120, par. 2413
30 ILCS 105/5.708 new
30 ILCS 105/6z-72 new

Amends the Riverboat Gambling Act. Provides that the moneys deposited in the State Gaming Fund from (1) the re-issuance of a revoked or terminated license and (2) the operation of a riverboat by a licensee whose license was re-issued (including the admission tax and the privilege tax) shall be distributed as follows: the lesser of 20% or one-twelfth of \$100,000,000 shall be transferred monthly from the State Gaming Fund into the Emergency Capital Program Fund and the remainder shall be transferred monthly from the State Gaming Fund into the Education Assistance Fund. Amends the State Finance Act to create the Emergency Capital Program Fund as a special fund in the State treasury. Provides that moneys in the Emergency Capital Program Fund shall be used solely for the purpose of capital-related expenditures based on the emergency need of the project, as determined by the Capital Development Board. Effective immediately.

LRB095 18954 AMC 45120 b

FISCAL NOTE ACT
MAY APPLY

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;

1 35% of annual adjusted gross receipts in excess of
2 \$100,000,000.

3 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
4 is imposed on persons engaged in the business of conducting
5 riverboat gambling operations, other than licensed managers
6 conducting riverboat gambling operations on behalf of the
7 State, based on the adjusted gross receipts received by a
8 licensed owner from gambling games authorized under this Act at
9 the following rates:

10 15% of annual adjusted gross receipts up to and
11 including \$25,000,000;

12 22.5% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$50,000,000;

14 27.5% of annual adjusted gross receipts in excess of
15 \$50,000,000 but not exceeding \$75,000,000;

16 32.5% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 37.5% of annual adjusted gross receipts in excess of
19 \$100,000,000 but not exceeding \$150,000,000;

20 45% of annual adjusted gross receipts in excess of
21 \$150,000,000 but not exceeding \$200,000,000;

22 50% of annual adjusted gross receipts in excess of
23 \$200,000,000.

24 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
25 persons engaged in the business of conducting riverboat
26 gambling operations, other than licensed managers conducting

1 riverboat gambling operations on behalf of the State, based on
2 the adjusted gross receipts received by a licensed owner from
3 gambling games authorized under this Act at the following
4 rates:

5 15% of annual adjusted gross receipts up to and
6 including \$25,000,000;

7 27.5% of annual adjusted gross receipts in excess of
8 \$25,000,000 but not exceeding \$37,500,000;

9 32.5% of annual adjusted gross receipts in excess of
10 \$37,500,000 but not exceeding \$50,000,000;

11 37.5% of annual adjusted gross receipts in excess of
12 \$50,000,000 but not exceeding \$75,000,000;

13 45% of annual adjusted gross receipts in excess of
14 \$75,000,000 but not exceeding \$100,000,000;

15 50% of annual adjusted gross receipts in excess of
16 \$100,000,000 but not exceeding \$250,000,000;

17 70% of annual adjusted gross receipts in excess of
18 \$250,000,000.

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

24 The privilege tax imposed under this subsection (a-3) shall
25 no longer be imposed beginning on the earlier of (i) July 1,
26 2005; (ii) the first date after June 20, 2003 that riverboat

1 gambling operations are conducted pursuant to a dormant
2 license; or (iii) the first day that riverboat gambling
3 operations are conducted under the authority of an owners
4 license that is in addition to the 10 owners licenses initially
5 authorized under this Act. For the purposes of this subsection
6 (a-3), the term "dormant license" means an owners license that
7 is authorized by this Act under which no riverboat gambling
8 operations are being conducted on June 20, 2003.

9 (a-4) Beginning on the first day on which the tax imposed
10 under subsection (a-3) is no longer imposed, a privilege tax is
11 imposed on persons engaged in the business of conducting
12 riverboat gambling operations, other than licensed managers
13 conducting riverboat gambling operations on behalf of the
14 State, based on the adjusted gross receipts received by a
15 licensed owner from gambling games authorized under this Act at
16 the following rates:

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

19 22.5% of annual adjusted gross receipts in excess of
20 \$25,000,000 but not exceeding \$50,000,000;

21 27.5% of annual adjusted gross receipts in excess of
22 \$50,000,000 but not exceeding \$75,000,000;

23 32.5% of annual adjusted gross receipts in excess of
24 \$75,000,000 but not exceeding \$100,000,000;

25 37.5% of annual adjusted gross receipts in excess of
26 \$100,000,000 but not exceeding \$150,000,000;

1 45% of annual adjusted gross receipts in excess of
2 \$150,000,000 but not exceeding \$200,000,000;

3 50% of annual adjusted gross receipts in excess of
4 \$200,000,000.

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

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

11 (a-15) If the privilege tax imposed under subsection (a-3)
12 is no longer imposed pursuant to item (i) of the last paragraph
13 of subsection (a-3), then by June 15 of each year, each owners
14 licensee, other than an owners licensee that admitted 1,000,000
15 persons or fewer in calendar year 2004, must, in addition to
16 the payment of all amounts otherwise due under this Section,
17 pay to the Board a reconciliation payment in the amount, if
18 any, by which the licensed owner's base amount exceeds the
19 amount of net privilege tax paid by the licensed owner to the
20 Board in the then current State fiscal year. A licensed owner's
21 net privilege tax obligation due for the balance of the State
22 fiscal year shall be reduced up to the total of the amount paid
23 by the licensed owner in its June 15 reconciliation payment.
24 The obligation imposed by this subsection (a-15) is binding on
25 any person, firm, corporation, or other entity that acquires an
26 ownership interest in any such owners license. The obligation

1 imposed under this subsection (a-15) terminates on the earliest
2 of: (i) July 1, 2007, (ii) the first day after the effective
3 date of this amendatory Act of the 94th General Assembly that
4 riverboat gambling operations are conducted pursuant to a
5 dormant license, (iii) the first day that riverboat gambling
6 operations are conducted under the authority of an owners
7 license that is in addition to the 10 owners licenses initially
8 authorized under this Act, or (iv) the first day that a
9 licensee under the Illinois Horse Racing Act of 1975 conducts
10 gaming operations with slot machines or other electronic gaming
11 devices. The Board must reduce the obligation imposed under
12 this subsection (a-15) by an amount the Board deems reasonable
13 for any of the following reasons: (A) an act or acts of God,
14 (B) an act of bioterrorism or terrorism or a bioterrorism or
15 terrorism threat that was investigated by a law enforcement
16 agency, or (C) a condition beyond the control of the owners
17 licensee that does not result from any act or omission by the
18 owners licensee or any of its agents and that poses a hazardous
19 threat to the health and safety of patrons. If an owners
20 licensee pays an amount in excess of its liability under this
21 Section, the Board shall apply the overpayment to future
22 payments required under this Section.

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

24 "Act of God" means an incident caused by the operation of
25 an extraordinary force that cannot be foreseen, that cannot be
26 avoided by the exercise of due care, and for which no person

1 can be held liable.

2 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

13 "Net privilege tax" means all privilege taxes paid by a
14 licensed owner to the Board under this Section, less all
15 payments made from the State Gaming Fund pursuant to subsection
16 (b) of this Section.

17 The changes made to this subsection (a-15) by Public Act
18 94-839 are intended to restate and clarify the intent of Public
19 Act 94-673 with respect to the amount of the payments required
20 to be made under this subsection by an owners licensee to the
21 Board.

22 (b) Until January 1, 1998, 25% of the tax revenue deposited
23 in the State Gaming Fund under this Section shall be paid,
24 subject to appropriation by the General Assembly, to the unit
25 of local government which is designated as the home dock of the
26 riverboat. Beginning January 1, 1998, from the tax revenue

1 deposited in the State Gaming Fund under this Section, an
2 amount equal to 5% of adjusted gross receipts generated by a
3 riverboat shall be paid monthly, subject to appropriation by
4 the General Assembly, to the unit of local government that is
5 designated as the home dock of the riverboat. From the tax
6 revenue deposited in the State Gaming Fund pursuant to
7 riverboat gambling operations conducted by a licensed manager
8 on behalf of the State, an amount equal to 5% of adjusted gross
9 receipts generated pursuant to those riverboat gambling
10 operations shall be paid monthly, subject to appropriation by
11 the General Assembly, to the unit of local government that is
12 designated as the home dock of the riverboat upon which those
13 riverboat gambling operations are conducted.

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

20 (c-5) Before May 26, 2006 (the effective date of Public Act
21 94-804) and beginning 2 years after May 26, 2006 (the effective
22 date of Public Act 94-804), after the payments required under
23 subsections (b) and (c) have been made, an amount equal to 15%
24 of the adjusted gross receipts of (1) an owners licensee that
25 relocates pursuant to Section 11.2, (2) an owners licensee
26 conducting riverboat gambling operations pursuant to an owners

1 license that is initially issued after June 25, 1999, or (3)
2 the first riverboat gambling operations conducted by a licensed
3 manager on behalf of the State under Section 7.3, whichever
4 comes first, shall be paid from the State Gaming Fund into the
5 Horse Racing Equity Fund.

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

10 (c-15) After the payments required under subsections (b),
11 (c), and (c-5) have been made, an amount equal to 2% of the
12 adjusted gross receipts of (1) an owners licensee that
13 relocates pursuant to Section 11.2, (2) an owners licensee
14 conducting riverboat gambling operations pursuant to an owners
15 license that is initially issued after June 25, 1999, or (3)
16 the first riverboat gambling operations conducted by a licensed
17 manager on behalf of the State under Section 7.3, whichever
18 comes first, shall be paid, subject to appropriation from the
19 General Assembly, from the State Gaming Fund to each home rule
20 county with a population of over 3,000,000 inhabitants for the
21 purpose of enhancing the county's criminal justice system.

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

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

11 (c-30) After the payments required under subsections (b),
12 (c), (c-5), (c-15), and (c-25) have been made, the moneys
13 deposited in the State Gaming Fund from (1) the re-issuance of
14 a revoked or terminated license pursuant to Section 7.1 and (2)
15 the operation of a riverboat by a licensee whose license was
16 re-issued pursuant to Section 7.1 (including the admission tax
17 paid pursuant to Section 12 and the privilege tax paid under
18 this Section) shall be distributed as follows: the lesser of
19 20% or one-twelfth of \$100,000,000 shall be transferred monthly
20 from the State Gaming Fund into the Emergency Capital Program
21 Fund and the remainder shall be transferred monthly from the
22 State Gaming Fund into the Education Assistance Fund.

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

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

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

12 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
13 94-839, eff. 6-6-06; 95-331, eff. 8-21-07.)

14 Section 10. The State Finance Act is amended by adding
15 Sections 5.708 and 6z-72 as follows:

16 (30 ILCS 105/5.708 new)

17 Sec. 5.708. The Emergency Capital Program Fund.

18 (30 ILCS 105/6z-72 new)

19 Sec. 6z-72. The Emergency Capital Program Fund. The
20 Emergency Capital Program Fund is created as a special fund in
21 the State treasury. Subject to appropriation by the General
22 Assembly, moneys in the Emergency Capital Program Fund shall be
23 used solely for the purpose of capital-related expenditures

1 based on the emergency need of the project, as determined by
2 the Capital Development Board. Any interest earned on moneys in
3 the Fund must be deposited into the Fund.

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