

HB0500



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0500

Introduced 2/4/2009, by Rep. Keith Farnham

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Riverboat Gambling Act. Terminates the obligation of certain owners licensee to make payments into the Horse Racing Equity Trust Fund (the impact fee) on the effective date of the amendatory Act. Effective immediately.

LRB096 04819 AMC 14884 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 7 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners Licenses.

8 (a) The Board shall issue owners licenses to persons, firms
9 or corporations which apply for such licenses upon payment to
10 the Board of the non-refundable license fee set by the Board,
11 upon payment of a \$25,000 license fee for the first year of
12 operation and a \$5,000 license fee for each succeeding year and
13 upon a determination by the Board that the applicant is
14 eligible for an owners license pursuant to this Act and the
15 rules of the Board. From the effective date of this amendatory
16 Act of the 95th General Assembly until the effective date of
17 this amendatory Act of the 96th General Assembly ~~(i) 3 years~~
18 ~~after the effective date of this amendatory Act of the 95th~~
19 ~~General Assembly, (ii) the date any organization licensee~~
20 ~~begins to operate a slot machine or video game of chance under~~
21 ~~the Illinois Horse Racing Act of 1975 or this Act, (iii) the~~
22 ~~date that payments begin under subsection (c-5) of Section 13~~
23 ~~of the Act, or (iv) the wagering tax imposed under Section 13~~

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

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

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

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

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

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

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

9 (7) (blank); or

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

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

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

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

26 (A) controls, directly or indirectly, such

1 applicant, or

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

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

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

9 (4) the extent to which the ownership of the applicant
10 reflects the diversity of the State by including minority
11 persons and females and the good faith affirmative action
12 plan of each applicant to recruit, train and upgrade
13 minority persons and females in all employment
14 classifications;

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

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

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

23 (8) The amount of the applicant's license bid.

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

26 (d) Each applicant shall submit with his application, on

1 forms provided by the Board, 2 sets of his fingerprints.

2 (e) The Board may issue up to 10 licenses authorizing the
3 holders of such licenses to own riverboats. In the application
4 for an owners license, the applicant shall state the dock at
5 which the riverboat is based and the water on which the
6 riverboat will be located. The Board shall issue 5 licenses to
7 become effective not earlier than January 1, 1991. Three of
8 such licenses shall authorize riverboat gambling on the
9 Mississippi River, or, with approval by the municipality in
10 which the riverboat was docked on August 7, 2003 and with Board
11 approval, be authorized to relocate to a new location, in a
12 municipality that (1) borders on the Mississippi River or is
13 within 5 miles of the city limits of a municipality that
14 borders on the Mississippi River and (2), on August 7, 2003,
15 had a riverboat conducting riverboat gambling operations
16 pursuant to a license issued under this Act; one of which shall
17 authorize riverboat gambling from a home dock in the city of
18 East St. Louis. One other license shall authorize riverboat
19 gambling on the Illinois River south of Marshall County. The
20 Board shall issue one additional license to become effective
21 not earlier than March 1, 1992, which shall authorize riverboat
22 gambling on the Des Plaines River in Will County. The Board may
23 issue 4 additional licenses to become effective not earlier
24 than March 1, 1992. In determining the water upon which
25 riverboats will operate, the Board shall consider the economic
26 benefit which riverboat gambling confers on the State, and

1 shall seek to assure that all regions of the State share in the
2 economic benefits of riverboat gambling.

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

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

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

1 are authorized to own riverboats.

2 (g) Upon the termination, expiration, or revocation of each
3 of the first 10 licenses, which shall be issued for a 3 year
4 period, all licenses are renewable annually upon payment of the
5 fee and a determination by the Board that the licensee
6 continues to meet all of the requirements of this Act and the
7 Board's rules. However, for licenses renewed on or after May 1,
8 1998, renewal shall be for a period of 4 years, unless the
9 Board sets a shorter period.

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

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

1 tangible personal property apply to such sales aboard the
2 riverboat.

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

15 (Source: P.A. 94-667, eff. 8-23-05; 94-804, eff. 5-26-06;
16 95-1008, eff. 12-15-08.)

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