

SB1432



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1432

Introduced 2/18/2009, by Sen. A. J. Wilhelmi

SYNOPSIS AS INTRODUCED:

230 ILCS 5/54.75 rep.
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. Amends the Illinois Horse Racing Act of 1975 to repeal provisions creating the Horse Racing Equity Trust Fund. Effective immediately.

LRB096 03432 AMC 13456 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 (230 ILCS 5/54.75 rep.)

5 Section 5. The Illinois Horse Racing Act of 1975 is amended
6 by repealing Section 54.75.

7 Section 10. The Riverboat Gambling Act is amended by
8 changing Section 7 as follows:

9 (230 ILCS 10/7) (from Ch. 120, par. 2407)

10 Sec. 7. Owners Licenses.

11 (a) The Board shall issue owners licenses to persons, firms
12 or corporations which apply for such licenses upon payment to
13 the Board of the non-refundable license fee set by the Board,
14 upon payment of a \$25,000 license fee for the first year of
15 operation and a \$5,000 license fee for each succeeding year and
16 upon a determination by the Board that the applicant is
17 eligible for an owners license pursuant to this Act and the
18 rules of the Board. From the effective date of this amendatory
19 Act of the 95th General Assembly until the effective date of
20 this amendatory Act of the 96th General Assembly ~~(i) 3 years~~
21 ~~after the effective date of this amendatory Act of the 95th~~
22 ~~General Assembly, (ii) the date any organization licensee~~

1 ~~begins to operate a slot machine or video game of chance under~~
2 ~~the Illinois Horse Racing Act of 1975 or this Act, (iii) the~~
3 ~~date that payments begin under subsection (c-5) of Section 13~~
4 ~~of the Act, or (iv) the wagering tax imposed under Section 13~~
5 ~~of this Act is increased by law to reflect a tax rate that is at~~
6 ~~least as stringent or more stringent than the tax rate~~
7 ~~contained in subsection (a-3) of Section 13, whichever occurs~~
8 ~~first,~~ as a condition of licensure and as an alternative source
9 of payment for those funds payable under subsection (c-5) of
10 Section 13 of the Riverboat Gambling Act, any owners licensee
11 that holds or receives its owners license on or after the
12 effective date of this amendatory Act of the 94th General
13 Assembly, other than an owners licensee operating a riverboat
14 with adjusted gross receipts in calendar year 2004 of less than
15 \$200,000,000, must pay into the Horse Racing Equity Trust Fund,
16 in addition to any other payments required under this Act, an
17 amount equal to 3% of the adjusted gross receipts received by
18 the owners licensee. The payments required under this Section
19 shall be made by the owners licensee to the State Treasurer no
20 later than 3:00 o'clock p.m. of the day after the day when the
21 adjusted gross receipts were received by the owners licensee. A
22 person, firm or corporation is ineligible to receive an owners
23 license if:

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

26 (2) the person has been convicted of any violation of

1 Article 28 of the Criminal Code of 1961, or substantially
2 similar laws of any other jurisdiction;

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

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

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

9 (6) the firm or corporation employs a person defined in
10 (1), (2), (3) or (4) who participates in the management or
11 operation of gambling operations authorized under this
12 Act;

13 (7) (blank); or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 issue 4 additional licenses to become effective not earlier
2 than March 1, 1992. In determining the water upon which
3 riverboats will operate, the Board shall consider the economic
4 benefit which riverboat gambling confers on the State, and
5 shall seek to assure that all regions of the State share in the
6 economic benefits of riverboat gambling.

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

20 In addition to any other revocation powers granted to the
21 Board under this Act, the Board may revoke the owners license
22 of a licensee which fails to begin conducting gambling within
23 15 months of receipt of the Board's approval of the application
24 if the Board determines that license revocation is in the best
25 interests of the State.

26 (f) The first 10 owners licenses issued under this Act

1 shall permit the holder to own up to 2 riverboats and equipment
2 thereon for a period of 3 years after the effective date of the
3 license. Holders of the first 10 owners licenses must pay the
4 annual license fee for each of the 3 years during which they
5 are authorized to own riverboats.

6 (g) Upon the termination, expiration, or revocation of each
7 of the first 10 licenses, which shall be issued for a 3 year
8 period, all licenses are renewable annually upon payment of the
9 fee and a determination by the Board that the licensee
10 continues to meet all of the requirements of this Act and the
11 Board's rules. However, for licenses renewed on or after May 1,
12 1998, renewal shall be for a period of 4 years, unless the
13 Board sets a shorter period.

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

24 (i) A licensed owner is authorized to apply to the Board
25 for and, if approved therefor, to receive all licenses from the
26 Board necessary for the operation of a riverboat, including a

1 liquor license, a license to prepare and serve food for human
2 consumption, and other necessary licenses. All use, occupation
3 and excise taxes which apply to the sale of food and beverages
4 in this State and all taxes imposed on the sale or use of
5 tangible personal property apply to such sales aboard the
6 riverboat.

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

19 (Source: P.A. 94-667, eff. 8-23-05; 94-804, eff. 5-26-06;
20 95-1008, eff. 12-15-08.)

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