



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB3384

Introduced 2/10/2010, by Sen. Jeffrey M. Schoenberg

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the State Officials and Employees Ethics Act. Removes the Illinois Gaming Board from the list of agencies to which the ex parte communications provisions apply (adds ex parte communication provisions for the Illinois Gaming Board in the Riverboat Gambling Act). Provides for an Executive Inspector General for gaming activities appointed by the Governor who has jurisdiction over the Illinois Gaming Board and officers and employees of the Illinois Gaming Board. Amends the Riverboat Gambling Act. Codifies the separation of the Illinois Gaming Board from the Department of Revenue and makes conforming changes in various Acts. Ends the terms of the current members of the Illinois Gaming Board and provides that the Governor shall nominate new members from nominations presented by the Nomination Panel, which is created by this amendatory Act. Makes various other changes in provisions concerning the Illinois Gaming Board and its duties. Adds ethics provisions applicable to the Board members, members of the Nomination Panel, and employees. Makes other changes. Effective immediately.

LRB096 20467 AMC 36122 b

CORRECTIONAL  
BUDGET AND  
IMPACT NOTE ACT  
MAY APPLY

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
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 State Officials and Employees Ethics Act is  
5 amended by changing Sections 5-50, 20-10, and 20-15 as follows:

6 (5 ILCS 430/5-50)

7 Sec. 5-50. Ex parte communications; special government  
8 agents.

9 (a) This Section applies to ex parte communications made to  
10 any agency listed in subsection (e).

11 (b) "Ex parte communication" means any written or oral  
12 communication by any person that imparts or requests material  
13 information or makes a material argument regarding potential  
14 action concerning regulatory, quasi-adjudicatory, investment,  
15 or licensing matters pending before or under consideration by  
16 the agency. "Ex parte communication" does not include the  
17 following: (i) statements by a person publicly made in a public  
18 forum; (ii) statements regarding matters of procedure and  
19 practice, such as format, the number of copies required, the  
20 manner of filing, and the status of a matter; and (iii)  
21 statements made by a State employee of the agency to the agency  
22 head or other employees of that agency.

23 (b-5) An ex parte communication received by an agency,

1 agency head, or other agency employee from an interested party  
2 or his or her official representative or attorney shall  
3 promptly be memorialized and made a part of the record.

4 (c) An ex parte communication received by any agency,  
5 agency head, or other agency employee, other than an ex parte  
6 communication described in subsection (b-5), shall immediately  
7 be reported to that agency's ethics officer by the recipient of  
8 the communication and by any other employee of that agency who  
9 responds to the communication. The ethics officer shall require  
10 that the ex parte communication be promptly made a part of the  
11 record. The ethics officer shall promptly file the ex parte  
12 communication with the Executive Ethics Commission, including  
13 all written communications, all written responses to the  
14 communications, and a memorandum prepared by the ethics officer  
15 stating the nature and substance of all oral communications,  
16 the identity and job title of the person to whom each  
17 communication was made, all responses made, the identity and  
18 job title of the person making each response, the identity of  
19 each person from whom the written or oral ex parte  
20 communication was received, the individual or entity  
21 represented by that person, any action the person requested or  
22 recommended, and any other pertinent information. The  
23 disclosure shall also contain the date of any ex parte  
24 communication.

25 (d) "Interested party" means a person or entity whose  
26 rights, privileges, or interests are the subject of or are

1 directly affected by a regulatory, quasi-adjudicatory,  
2 investment, or licensing matter.

3 (e) This Section applies to the following agencies:

4 Executive Ethics Commission

5 Illinois Commerce Commission

6 Educational Labor Relations Board

7 State Board of Elections

8 ~~Illinois Gaming Board~~

9 Health Facilities and Services Review Board

10 Illinois Workers' Compensation Commission

11 Illinois Labor Relations Board

12 Illinois Liquor Control Commission

13 Pollution Control Board

14 Property Tax Appeal Board

15 Illinois Racing Board

16 Illinois Purchased Care Review Board

17 Department of State Police Merit Board

18 Motor Vehicle Review Board

19 Prisoner Review Board

20 Civil Service Commission

21 Personnel Review Board for the Treasurer

22 Merit Commission for the Secretary of State

23 Merit Commission for the Office of the Comptroller

24 Court of Claims

25 Board of Review of the Department of Employment Security

26 Department of Insurance

1 Department of Professional Regulation and licensing boards  
2 under the Department

3 Department of Public Health and licensing boards under the  
4 Department

5 Office of Banks and Real Estate and licensing boards under  
6 the Office

7 State Employees Retirement System Board of Trustees

8 Judges Retirement System Board of Trustees

9 General Assembly Retirement System Board of Trustees

10 Illinois Board of Investment

11 State Universities Retirement System Board of Trustees

12 Teachers Retirement System Officers Board of Trustees

13 (f) Any person who fails to (i) report an ex parte  
14 communication to an ethics officer, (ii) make information part  
15 of the record, or (iii) make a filing with the Executive Ethics  
16 Commission as required by this Section or as required by  
17 Section 5-165 of the Illinois Administrative Procedure Act  
18 violates this Act.

19 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09.)

20 (5 ILCS 430/20-10)

21 Sec. 20-10. Offices of Executive Inspectors General.

22 (a) ~~Six~~ Five independent Offices of the Executive Inspector  
23 General are created, one each for the Governor, the Attorney  
24 General, the Secretary of State, the Comptroller, and the  
25 Treasurer and one for gaming activities. Each Office shall be

1 under the direction and supervision of an Executive Inspector  
2 General and shall be a fully independent office with separate  
3 appropriations.

4 (b) The Governor, Attorney General, Secretary of State,  
5 Comptroller, and Treasurer shall each appoint an Executive  
6 Inspector General, and the Governor shall appoint an Executive  
7 Inspector General for gaming activities. Each appointment must  
8 be made without regard to political affiliation and solely on  
9 the basis of integrity and demonstrated ability. Appointments  
10 shall be made by and with the advice and consent of the Senate  
11 by three-fifths of the elected members concurring by record  
12 vote. Any nomination not acted upon by the Senate within 60  
13 session days of the receipt thereof shall be deemed to have  
14 received the advice and consent of the Senate. If, during a  
15 recess of the Senate, there is a vacancy in an office of  
16 Executive Inspector General, the appointing authority shall  
17 make a temporary appointment until the next meeting of the  
18 Senate when the appointing authority shall make a nomination to  
19 fill that office. No person rejected for an office of Executive  
20 Inspector General shall, except by the Senate's request, be  
21 nominated again for that office at the same session of the  
22 Senate or be appointed to that office during a recess of that  
23 Senate.

24 Nothing in this Article precludes the appointment by the  
25 Governor, Attorney General, Secretary of State, Comptroller,  
26 or Treasurer of any other inspector general required or

1 permitted by law. The Governor, Attorney General, Secretary of  
2 State, Comptroller, and Treasurer each may appoint an existing  
3 inspector general as the Executive Inspector General required  
4 by this Article, provided that such an inspector general is not  
5 prohibited by law, rule, jurisdiction, qualification, or  
6 interest from serving as the Executive Inspector General  
7 required by this Article. An appointing authority may not  
8 appoint a relative as an Executive Inspector General.

9 Each Executive Inspector General shall have the following  
10 qualifications:

11 (1) has not been convicted of any felony under the laws  
12 of this State, another State, or the United States;

13 (2) has earned a baccalaureate degree from an  
14 institution of higher education; and

15 (3) has 5 or more years of cumulative service (A) with  
16 a federal, State, or local law enforcement agency, at least  
17 2 years of which have been in a progressive investigatory  
18 capacity; (B) as a federal, State, or local prosecutor; (C)  
19 as a senior manager or executive of a federal, State, or  
20 local agency; (D) as a member, an officer, or a State or  
21 federal judge; or (E) representing any combination of (A)  
22 through (D).

23 The term of each initial Executive Inspector General shall  
24 commence upon qualification and shall run through June 30,  
25 2008. The initial appointments shall be made within 60 days  
26 after the effective date of this Act.

1           After the initial term, each Executive Inspector General  
2 shall serve for 5-year terms commencing on July 1 of the year  
3 of appointment and running through June 30 of the fifth  
4 following year. An Executive Inspector General may be  
5 reappointed to one or more subsequent terms.

6           A vacancy occurring other than at the end of a term shall  
7 be filled by the appointing authority only for the balance of  
8 the term of the Executive Inspector General whose office is  
9 vacant.

10          Terms shall run regardless of whether the position is  
11 filled.

12          (c) The Executive Inspector General appointed by the  
13 Attorney General shall have jurisdiction over the Attorney  
14 General and all officers and employees of, and vendors and  
15 others doing business with, State agencies within the  
16 jurisdiction of the Attorney General. The Executive Inspector  
17 General appointed by the Secretary of State shall have  
18 jurisdiction over the Secretary of State and all officers and  
19 employees of, and vendors and others doing business with, State  
20 agencies within the jurisdiction of the Secretary of State. The  
21 Executive Inspector General appointed by the Comptroller shall  
22 have jurisdiction over the Comptroller and all officers and  
23 employees of, and vendors and others doing business with, State  
24 agencies within the jurisdiction of the Comptroller. The  
25 Executive Inspector General appointed by the Treasurer shall  
26 have jurisdiction over the Treasurer and all officers and



1 employees of, and vendors and others doing business with, State  
2 agencies within the jurisdiction of the Treasurer. The  
3 Executive Inspector General appointed by the Governor shall  
4 have jurisdiction over the Governor, the Lieutenant Governor,  
5 and all officers and employees of, and vendors and others doing  
6 business with, executive branch State agencies under the  
7 jurisdiction of the Executive Ethics Commission and not within  
8 the jurisdiction of the Attorney General, the Secretary of  
9 State, the Comptroller, ~~or~~ the Treasurer, or the Executive  
10 Inspector General for gaming activities. The Executive  
11 Inspector General for gaming activities appointed by the  
12 Governor has jurisdiction over the Illinois Gaming Board and  
13 all officers and employees of the Illinois Gaming Board.

14 The jurisdiction of each Executive Inspector General is to  
15 investigate allegations of fraud, waste, abuse, mismanagement,  
16 misconduct, nonfeasance, misfeasance, malfeasance, or  
17 violations of this Act or violations of other related laws and  
18 rules.

19 (d) The compensation for each Executive Inspector General  
20 shall be determined by the Executive Ethics Commission and  
21 shall be made from appropriations made to the Comptroller for  
22 this purpose. Subject to Section 20-45 of this Act, each  
23 Executive Inspector General has full authority to organize his  
24 or her Office of the Executive Inspector General, including the  
25 employment and determination of the compensation of staff, such  
26 as deputies, assistants, and other employees, as

1 appropriations permit. A separate appropriation shall be made  
2 for each Office of Executive Inspector General.

3 (e) No Executive Inspector General or employee of the  
4 Office of the Executive Inspector General may, during his or  
5 her term of appointment or employment:

6 (1) become a candidate for any elective office;

7 (2) hold any other elected or appointed public office  
8 except for appointments on governmental advisory boards or  
9 study commissions or as otherwise expressly authorized by  
10 law;

11 (3) be actively involved in the affairs of any  
12 political party or political organization; or

13 (4) advocate for the appointment of another person to  
14 an appointed or elected office or position or actively  
15 participate in any campaign for any elective office.

16 In this subsection an appointed public office means a  
17 position authorized by law that is filled by an appointing  
18 authority as provided by law and does not include employment by  
19 hiring in the ordinary course of business.

20 (e-1) No Executive Inspector General or employee of the  
21 Office of the Executive Inspector General may, for one year  
22 after the termination of his or her appointment or employment:

23 (1) become a candidate for any elective office;

24 (2) hold any elected public office; or

25 (3) hold any appointed State, county, or local judicial  
26 office.

1 (e-2) The requirements of item (3) of subsection (e-1) may  
2 be waived by the Executive Ethics Commission.

3 (f) An Executive Inspector General may be removed only for  
4 cause and may be removed only by the appointing ~~constitutional~~  
5 officer. At the time of the removal, the appointing  
6 ~~constitutional~~ officer must report to the Executive Ethics  
7 Commission the justification for the removal.

8 (Source: P.A. 96-555, eff. 8-18-09.)

9 (5 ILCS 430/20-15)

10 Sec. 20-15. Duties of the Executive Ethics Commission. In  
11 addition to duties otherwise assigned by law, the Executive  
12 Ethics Commission shall have the following duties:

13 (1) To promulgate rules governing the performance of  
14 its duties and the exercise of its powers and governing the  
15 investigations of the Executive Inspectors General. It is  
16 declared to be in the public interest, safety, and welfare  
17 that the Commission adopt emergency rules under the  
18 Illinois Administrative Procedure Act to initially perform  
19 its duties under this subsection.

20 (2) To conduct administrative hearings and rule on  
21 matters brought before the Commission only upon the receipt  
22 of pleadings filed by an Executive Inspector General and  
23 not upon its own prerogative, but may appoint special  
24 Executive Inspectors General as provided in Section 20-21.  
25 Any other allegations of misconduct received by the

1 Commission from a person other than an Executive Inspector  
2 General shall be referred to the Office of the appropriate  
3 Executive Inspector General.

4 (3) To prepare and publish manuals and guides and,  
5 working with the Office of the Attorney General, oversee  
6 training of employees under its jurisdiction that explains  
7 their duties.

8 (4) To prepare public information materials to  
9 facilitate compliance, implementation, and enforcement of  
10 this Act.

11 (5) To submit reports as required by this Act.

12 (6) To the extent authorized by this Act, to make  
13 rulings, issue recommendations, and impose administrative  
14 fines, if appropriate, in connection with the  
15 implementation and interpretation of this Act. The powers  
16 and duties of the Commission are limited to matters clearly  
17 within the purview of this Act.

18 (7) To issue subpoenas with respect to matters pending  
19 before the Commission, subject to the provisions of this  
20 Article and in the discretion of the Commission, to compel  
21 the attendance of witnesses for purposes of testimony and  
22 the production of documents and other items for inspection  
23 and copying.

24 (8) To appoint special Executive Inspectors General as  
25 provided in Section 20-21.

26 (9) To review applications and appoint members to the

1        Nomination Panel established under the Riverboat Gambling  
2        Act.

3        (Source: P.A. 93-617, eff. 12-9-03.)

4        Section 10. The Executive Reorganization Implementation  
5        Act is amended by changing Section 3.1 as follows:

6            (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

7            Sec. 3.1. "Agency directly responsible to the Governor" or  
8        "agency" means any office, officer, division, or part thereof,  
9        and any other office, nonelective officer, department,  
10       division, bureau, board, or commission in the executive branch  
11       of State government, except that it does not apply to any  
12       agency whose primary function is service to the General  
13       Assembly or the Judicial Branch of State government, or to any  
14       agency administered by the Attorney General, Secretary of  
15       State, State Comptroller or State Treasurer. In addition the  
16       term does not apply to the following agencies created by law  
17       with the primary responsibility of exercising regulatory or  
18       adjudicatory functions independently of the Governor:

19            (1) the State Board of Elections;

20            (2) the State Board of Education;

21            (3) the Illinois Commerce Commission;

22            (4) the Illinois Workers' Compensation Commission;

23            (5) the Civil Service Commission;

24            (6) the Fair Employment Practices Commission;

- 1 (7) the Pollution Control Board;  
2 (8) the Department of State Police Merit Board;  
3 (9) the Illinois Racing Board; and  
4 (10) the Illinois Gaming Board.

5 (Source: P.A. 96-796, eff. 10-29-09.)

6 Section 20. The Illinois Pension Code is amended by  
7 changing Sections 14-111, 18-127, and 18-169 as follows:

8 (40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)  
9 Sec. 14-111. Re-entry After retirement.

10 (a) An annuitant who re-enters the service of a department  
11 and receives compensation on a regular payroll shall receive no  
12 payments of the retirement annuity during the time he is so  
13 employed, with the following exceptions:

14 (1) An annuitant who is employed by a department while  
15 he or she is a continuing participant in the General  
16 Assembly Retirement System under Sections 2-117.1 and  
17 14-105.4 will not be considered to have made a re-entry  
18 after retirement within the meaning of this Section for the  
19 duration of such continuing participation. Any person who  
20 is a continuing participant under Sections 2-117.1 and  
21 14-105.4 on the effective date of this amendatory Act of  
22 1991 and whose retirement annuity has been suspended under  
23 this Section shall be entitled to receive from the System a  
24 sum equal to the annuity payments that have been withheld

1 under this Section, and shall receive the benefit of this  
2 amendment without regard to Section 1-103.1.

3 (2) An annuitant who accepts temporary employment from  
4 such a department for a period not exceeding 75 working  
5 days in any calendar year is not considered to make a  
6 re-entry after retirement within the meaning of this  
7 Section. Any part of a day on temporary employment is  
8 considered a full day of employment.

9 (3) An annuitant who accepts employment as a member of  
10 the Illinois Gaming Board may elect to not participate in  
11 this System with respect to that service. An annuitant who  
12 elects to not participate in this System with respect to  
13 that service is not considered to make a re-entry after  
14 retirement within the meaning of this Section.

15 (b) If such person re-enters the service of a department,  
16 not as a temporary employee, contributions to the system shall  
17 begin as of the date of re-employment and additional creditable  
18 service shall begin to accrue. He shall assume the status of a  
19 member entitled to all rights and privileges in the system,  
20 including death and disability benefits, excluding a refund of  
21 contributions.

22 Upon subsequent retirement, his retirement annuity shall  
23 consist of:

24 (1) the amounts of the annuities terminated by re-entry  
25 into service; and

26 (2) the amount of the additional retirement annuity

1           earned by the member during the period of additional  
2           membership service which shall not be subject to  
3           reversionary annuity if any.

4           The total retirement annuity shall not, however, exceed the  
5           maximum applicable to the member at the time of original  
6           retirement. In the computation of any such retirement annuity,  
7           the time that the member was on retirement shall not interrupt  
8           the continuity of service for the computation of final average  
9           compensation and the additional membership service shall be  
10          considered, together with service rendered before the previous  
11          retirement, in establishing final average compensation.

12          A person who re-enters the service of a department within 3  
13          years after retiring may qualify to have the retirement annuity  
14          computed as though the member had not previously retired by  
15          paying to the System, within 5 years after re-entry and prior  
16          to subsequent retirement, in a lump sum or in installment  
17          payments in accordance with such rules as may be adopted by the  
18          Board, an amount equal to all retirement payments received,  
19          including any payments received in accordance with subsection  
20          (c) or (d) of Section 14-130, plus regular interest from the  
21          date retirement payments were suspended to the date of  
22          repayment.

23          (Source: P.A. 86-1488; 87-794.)

24                 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

25                 Sec. 18-127. Retirement annuity - suspension on



1 reemployment.

2 (a) A participant receiving a retirement annuity who is  
3 regularly employed for compensation by an employer other than a  
4 county, in any capacity, shall have his or her retirement  
5 annuity payments suspended during such employment. Upon  
6 termination of such employment, retirement annuity payments at  
7 the previous rate shall be resumed.

8 If such a participant resumes service as a judge, he or she  
9 shall receive credit for any additional service. Upon  
10 subsequent retirement, his or her retirement annuity shall be  
11 the amount previously granted, plus the amount earned by the  
12 additional judicial service under the provisions in effect  
13 during the period of such additional service. However, if the  
14 participant was receiving the maximum rate of annuity at the  
15 time of re-employment, he or she may elect, in a written  
16 direction filed with the board, not to receive any additional  
17 service credit during the period of re-employment. In such  
18 case, contributions shall not be required during the period of  
19 re-employment. Any such election shall be irrevocable.

20 (b) Beginning January 1, 1991, any participant receiving a  
21 retirement annuity who accepts temporary employment from an  
22 employer other than a county for a period not exceeding 75  
23 working days in any calendar year shall not be deemed to be  
24 regularly employed for compensation or to have resumed service  
25 as a judge for the purposes of this Article. A day shall be  
26 considered a working day if the annuitant performs on it any of

1 his duties under the temporary employment agreement.

2 (c) Except as provided in subsection (a), beginning January  
3 1, 1993, retirement annuities shall not be subject to  
4 suspension upon resumption of employment for an employer, and  
5 any retirement annuity that is then so suspended shall be  
6 reinstated on that date.

7 (d) The changes made in this Section by this amendatory Act  
8 of 1993 shall apply to judges no longer in service on its  
9 effective date, as well as to judges serving on or after that  
10 date.

11 (e) A participant receiving a retirement annuity under this  
12 Article who (i) serves as a part-time employee in any of the  
13 following positions: Legislative Inspector General, Special  
14 Legislative Inspector General, employee of the Office of the  
15 Legislative Inspector General, Executive Director of the  
16 Legislative Ethics Commission, or staff of the Legislative  
17 Ethics Commission or (ii) serves on the Illinois Gaming Board,  
18 but has not elected to participate in the Article 14 System  
19 with respect to that service, shall not be deemed to be  
20 regularly employed for compensation by an employer other than a  
21 county, nor to have resumed service as a judge, on the basis of  
22 that service, and the retirement annuity payments and other  
23 benefits of that person under this Code shall not be suspended,  
24 diminished, or otherwise impaired solely as a consequence of  
25 that service. This subsection (e) applies without regard to  
26 whether the person is in service as a judge under this Article

1 on or after the effective date of this amendatory Act of the  
2 93rd General Assembly. In this subsection, a "part-time  
3 employee" is a person who is not required to work at least 35  
4 hours per week. The changes made to this subsection (e) by this  
5 amendatory Act of the 96th General Assembly apply without  
6 regard to whether the person is in service as a judge under  
7 this Article on or after the effective date of this amendatory  
8 Act of the 96th General Assembly.

9 (f) A participant receiving a retirement annuity under this  
10 Article who has made an election under Section 1-123 and who is  
11 serving either as legal counsel in the Office of the Governor  
12 or as Chief Deputy Attorney General shall not be deemed to be  
13 regularly employed for compensation by an employer other than a  
14 county, nor to have resumed service as a judge, on the basis of  
15 that service, and the retirement annuity payments and other  
16 benefits of that person under this Code shall not be suspended,  
17 diminished, or otherwise impaired solely as a consequence of  
18 that service. This subsection (f) applies without regard to  
19 whether the person is in service as a judge under this Article  
20 on or after the effective date of this amendatory Act of the  
21 93rd General Assembly.

22 (Source: P.A. 93-685, eff. 7-8-04; 93-1069, eff. 1-15-05.)

23 (40 ILCS 5/18-169)

24 Sec. 18-169. Application and expiration of new benefit  
25 increases.

1 (a) As used in this Section, "new benefit increase" means  
2 an increase in the amount of any benefit provided under this  
3 Article, or an expansion of the conditions of eligibility for  
4 any benefit under this Article, that results from an amendment  
5 to this Code that takes effect after June 1, 2005 (the  
6 effective date Public Act 94-4) ~~of this amendatory Act of the~~  
7 ~~94th General Assembly~~. "New benefit increase", however, does  
8 not include any benefit increase resulting from the changes  
9 made to this Article by this amendatory Act of the 96th General  
10 Assembly.

11 (b) Notwithstanding any other provision of this Code or any  
12 subsequent amendment to this Code, every new benefit increase  
13 is subject to this Section and shall be deemed to be granted  
14 only in conformance with and contingent upon compliance with  
15 the provisions of this Section.

16 (c) The Public Act enacting a new benefit increase must  
17 identify and provide for payment to the System of additional  
18 funding at least sufficient to fund the resulting annual  
19 increase in cost to the System as it accrues.

20 Every new benefit increase is contingent upon the General  
21 Assembly providing the additional funding required under this  
22 subsection. The Commission on Government Forecasting and  
23 Accountability shall analyze whether adequate additional  
24 funding has been provided for the new benefit increase and  
25 shall report its analysis to the Public Pension Division of the  
26 Department of Financial and Professional Regulation. A new

1 benefit increase created by a Public Act that does not include  
2 the additional funding required under this subsection is null  
3 and void. If the Public Pension Division determines that the  
4 additional funding provided for a new benefit increase under  
5 this subsection is or has become inadequate, it may so certify  
6 to the Governor and the State Comptroller and, in the absence  
7 of corrective action by the General Assembly, the new benefit  
8 increase shall expire at the end of the fiscal year in which  
9 the certification is made.

10 (d) Every new benefit increase shall expire 5 years after  
11 its effective date or on such earlier date as may be specified  
12 in the language enacting the new benefit increase or provided  
13 under subsection (c). This does not prevent the General  
14 Assembly from extending or re-creating a new benefit increase  
15 by law.

16 (e) Except as otherwise provided in the language creating  
17 the new benefit increase, a new benefit increase that expires  
18 under this Section continues to apply to persons who applied  
19 and qualified for the affected benefit while the new benefit  
20 increase was in effect and to the affected beneficiaries and  
21 alternate payees of such persons, but does not apply to any  
22 other person, including without limitation a person who  
23 continues in service after the expiration date and did not  
24 apply and qualify for the affected benefit while the new  
25 benefit increase was in effect.

26 (Source: P.A. 94-4, eff. 6-1-05.)

1 Section 25. The Riverboat Gambling Act is amended by  
2 changing Sections 5, 5.1, 11, and 13 and by adding Sections  
3 5.2, 5.3, 5.5, 5.7, and 9.5 as follows:

4 (230 ILCS 10/5) (from Ch. 120, par. 2405)

5 Sec. 5. Gaming Board.

6 (a) (1) There is hereby established the ~~within the~~  
7 ~~Department of Revenue an~~ Illinois Gaming Board, which shall  
8 have the powers and duties specified in this Act, and all other  
9 powers necessary and proper to fully and effectively execute  
10 this Act for the purpose of administering, regulating, and  
11 enforcing the system of riverboat gambling established by this  
12 Act. Its jurisdiction shall extend under this Act to every  
13 person, association, corporation, partnership and trust  
14 involved in riverboat gambling operations in the State of  
15 Illinois.

16 (2) The Board shall consist of 5 members to be appointed by  
17 the Governor with the advice and consent of the Senate, one of  
18 whom shall be designated by the Governor to be chairperson  
19 ~~chairman~~. Each member shall have a reasonable knowledge of the  
20 practice, procedure and principles of gambling operations.  
21 Each member shall either be a resident of Illinois or shall  
22 certify that he or she will become a resident of Illinois  
23 before taking office. Notwithstanding any provision of this  
24 Section to the contrary, the term of office of each member of

1 the Board ends on the effective date of this amendatory Act of  
2 the 96th General Assembly and those members shall hold office  
3 only until their successors are appointed and qualified  
4 pursuant to this amendatory Act. Members appointed pursuant to  
5 this amendatory Act of the 96th General Assembly and their  
6 successors shall serve on a full-time basis and may not hold  
7 any other employment for which they are compensated.

8 Beginning on the effective date of this amendatory Act of  
9 the 96th General Assembly, the Board shall consist of 5 members  
10 appointed by the Governor from nominations presented to the  
11 Governor by the Nomination Panel and with the advice and  
12 consent of the Senate. The Board must include the following:

13 (1) One member must have, at a minimum, a bachelor's  
14 degree from an accredited school and at least 10 years of  
15 verifiable training and experience in the fields of  
16 investigation and law enforcement.

17 (2) One member must be a certified public accountant  
18 with experience in auditing and with knowledge of complex  
19 corporate structures and transactions.

20 (3) One member must have 5 years' experience as a  
21 principal, senior officer, or director of a company or  
22 business with either material responsibility for the daily  
23 operations and management of the overall company or  
24 business or material responsibility for the policy making  
25 of the company or business.

26 (4) Two members must be former judges elected or

1 appointed to judicial office in Illinois or former federal  
2 judges appointed to serve in Illinois.

3 No more than 3 members of the Board may be from the same  
4 political party. The Board should reflect the ethnic, cultural,  
5 and geographic diversity of the State. Each member shall have a  
6 reasonable knowledge of the practice, procedures, and  
7 principles of gambling operations. No Board member, within a  
8 period of 2 years immediately preceding nomination, shall have  
9 been employed by or received compensation or fees for services  
10 from a person or entity, or its parent or affiliate, that has  
11 engaged in business with the Board, a licensee, or a licensee  
12 under the Horse Racing Act of 1975. Each member shall either be  
13 a resident of Illinois or shall certify that he or she will  
14 become a resident of Illinois before taking office. ~~At least~~  
15 ~~one member shall be experienced in law enforcement and criminal~~  
16 ~~investigation, at least one member shall be a certified public~~  
17 ~~accountant experienced in accounting and auditing, and at least~~  
18 ~~one member shall be a lawyer licensed to practice law in~~  
19 ~~Illinois.~~

20 (3) The terms of office of the Board members shall be 4 ~~3~~  
21 years, except that the terms of office of the initial Board  
22 members appointed pursuant to this amendatory Act of the 96th  
23 General Assembly Act will commence from the effective date of  
24 this amendatory Act and run as follows, to be determined by  
25 lot: one for a term ending July 1 of the year following  
26 confirmation, 1991, one ~~2~~ for a term ending July 1 two years



1 following confirmation, 1992, one and 2 for a term ending July  
2 1 three years following confirmation, and 2 for a term ending  
3 July 1 four years following confirmation 1993. Upon the  
4 expiration of the foregoing terms, the successors of such  
5 members shall serve a term for 4 3 years and until their  
6 successors are appointed and qualified for like terms.  
7 Vacancies in the Board shall be filled for the unexpired term  
8 in like manner as original appointments. Each member of the  
9 Board shall be eligible for reappointment, subject to the  
10 nomination process of the Nomination Panel, by at the  
11 discretion of the Governor with the advice and consent of the  
12 Senate.

13 Until all 5 members of the Board are appointed and  
14 qualified pursuant to this amendatory Act of the 96th General  
15 Assembly, the Illinois Gaming Board may not act with regard to  
16 any license under which gambling operations are not being  
17 conducted on the effective date of this amendatory Act.

18 (4) The chairman of the Board shall receive an annual  
19 salary equal to the annual salary of a State appellate court  
20 judge. Other members of the Board shall receive an annual  
21 salary equal to the annual salary of a State circuit court  
22 judge. Each member of the Board shall receive \$300 for each day  
23 the Board meets and for each day the member conducts any  
24 hearing pursuant to this Act. Each member of the Board shall  
25 also be reimbursed for all actual and necessary expenses and  
26 disbursements incurred in the execution of official duties.

1           (5) (Blank). ~~No person shall be appointed a member of the~~  
2 ~~Board or continue to be a member of the Board who is, or whose~~  
3 ~~spouse, child or parent is, a member of the board of directors~~  
4 ~~of, or a person financially interested in, any gambling~~  
5 ~~operation subject to the jurisdiction of this Board, or any~~  
6 ~~race track, race meeting, racing association or the operations~~  
7 ~~thereof subject to the jurisdiction of the Illinois Racing~~  
8 ~~Board. No Board member shall hold any other public office for~~  
9 ~~which he shall receive compensation other than necessary travel~~  
10 ~~or other incidental expenses. No person shall be a member of~~  
11 ~~the Board who is not of good moral character or who has been~~  
12 ~~convicted of, or is under indictment for, a felony under the~~  
13 ~~laws of Illinois or any other state, or the United States.~~

14           (6) Any member of the Board may be removed by the Governor  
15 for neglect of duty, misfeasance, malfeasance, or nonfeasance  
16 in office or for engaging in any political activity.

17           (7) Before entering upon the discharge of the duties of his  
18 office, each member of the Board shall take an oath that he  
19 will faithfully execute the duties of his office according to  
20 the laws of the State and the rules and regulations adopted  
21 therewith and shall give bond to the State of Illinois,  
22 approved by the Governor, in the sum of \$25,000. Every such  
23 bond, when duly executed and approved, shall be recorded in the  
24 office of the Secretary of State. Whenever the Governor  
25 determines that the bond of any member of the Board has become  
26 or is likely to become invalid or insufficient, he shall

1 require such member forthwith to renew his bond, which is to be  
2 approved by the Governor. Any member of the Board who fails to  
3 take oath and give bond within 30 days from the date of his  
4 appointment, or who fails to renew his bond within 30 days  
5 after it is demanded by the Governor, shall be guilty of  
6 neglect of duty and may be removed by the Governor. The cost of  
7 any bond given by any member of the Board under this Section  
8 shall be taken to be a part of the necessary expenses of the  
9 Board.

10 (8) ~~The~~ Upon the request of the Board, the Department shall  
11 employ such personnel as may be necessary to carry out its ~~the~~  
12 functions and shall determine the salaries of all personnel,  
13 except those personnel whose salaries are determined under the  
14 terms of a collective bargaining agreement ~~of the Board~~. No  
15 person shall be employed to serve the Board who is, or whose  
16 spouse, parent or child is, an official of, or has a financial  
17 interest in or financial relation with, any operator engaged in  
18 gambling operations within this State or any organization  
19 engaged in conducting horse racing within this State. For the 2  
20 years immediately preceding employment, an employee shall not  
21 have been employed or received compensation or fees for  
22 services from a person or entity, or its parent or affiliate,  
23 that has engaged in business with the Board, a licensee, or a  
24 licensee under the Horse Racing Act of 1975. Any employee  
25 violating these prohibitions shall be subject to termination of  
26 employment.

1           (9) An Administrator shall perform any and all duties that  
2 the Board shall assign him. The salary of the Administrator  
3 shall be determined by the Board ~~and approved by the Director~~  
4 ~~of the Department~~ and, in addition, he shall be reimbursed for  
5 all actual and necessary expenses incurred by him in discharge  
6 of his official duties. The Administrator shall keep records of  
7 all proceedings of the Board and shall preserve all records,  
8 books, documents and other papers belonging to the Board or  
9 entrusted to its care. The Administrator shall devote his full  
10 time to the duties of the office and shall not hold any other  
11 office or employment.

12           (b) The Board shall have general responsibility for the  
13 implementation of this Act. Its duties include, without  
14 limitation, the following:

15           (1) To decide promptly and in reasonable order all  
16 license applications. Any party aggrieved by an action of  
17 the Board denying, suspending, revoking, restricting or  
18 refusing to renew a license may request a hearing before  
19 the Board. A request for a hearing must be made to the  
20 Board in writing within 5 days after service of notice of  
21 the action of the Board. Notice of the action of the Board  
22 shall be served either by personal delivery or by certified  
23 mail, postage prepaid, to the aggrieved party. Notice  
24 served by certified mail shall be deemed complete on the  
25 business day following the date of such mailing. The Board  
26 shall conduct all requested hearings promptly and in

1 reasonable order;

2 (2) To conduct all hearings pertaining to civil  
3 violations of this Act or rules and regulations promulgated  
4 hereunder;

5 (3) To promulgate such rules and regulations as in its  
6 judgment may be necessary to protect or enhance the  
7 credibility and integrity of gambling operations  
8 authorized by this Act and the regulatory process  
9 hereunder;

10 (4) To provide for the establishment and collection of  
11 all license and registration fees and taxes imposed by this  
12 Act and the rules and regulations issued pursuant hereto.  
13 All such fees and taxes shall be deposited into the State  
14 Gaming Fund, unless otherwise provided for;

15 (5) To provide for the levy and collection of penalties  
16 and fines for the violation of provisions of this Act and  
17 the rules and regulations promulgated hereunder. All such  
18 fines and penalties shall be deposited into the Education  
19 Assistance Fund, created by Public Act 86-0018, of the  
20 State of Illinois;

21 (6) To be present through its inspectors and agents any  
22 time gambling operations are conducted on any riverboat for  
23 the purpose of certifying the revenue thereof, receiving  
24 complaints from the public, and conducting such other  
25 investigations into the conduct of the gambling games and  
26 the maintenance of the equipment as from time to time the

1 Board may deem necessary and proper;

2 (7) To review and rule upon any complaint by a licensee  
3 regarding any investigative procedures of the State which  
4 are unnecessarily disruptive of gambling operations. The  
5 need to inspect and investigate shall be presumed at all  
6 times. The disruption of a licensee's operations shall be  
7 proved by clear and convincing evidence, and establish  
8 that: (A) the procedures had no reasonable law enforcement  
9 purposes, and (B) the procedures were so disruptive as to  
10 unreasonably inhibit gambling operations;

11 (8) (Blank) ~~To hold at least one meeting each quarter~~  
12 ~~of the fiscal year. In addition, special meetings may be~~  
13 ~~called by the Chairman or any 2 Board members upon 72 hours~~  
14 ~~written notice to each member. All Board meetings shall be~~  
15 ~~subject to the Open Meetings Act. Three members of the~~  
16 ~~Board shall constitute a quorum, and 3 votes shall be~~  
17 ~~required for any final determination by the Board. The~~  
18 ~~Board shall keep a complete and accurate record of all its~~  
19 ~~meetings. A majority of the members of the Board shall~~  
20 ~~constitute a quorum for the transaction of any business,~~  
21 ~~for the performance of any duty, or for the exercise of any~~  
22 ~~power which this Act requires the Board members to~~  
23 ~~transact, perform or exercise en banc, except that, upon~~  
24 ~~order of the Board, one of the Board members or an~~  
25 ~~administrative law judge designated by the Board may~~  
26 ~~conduct any hearing provided for under this Act or by Board~~

1 ~~rule and may recommend findings and decisions to the Board.~~  
2 ~~The Board member or administrative law judge conducting~~  
3 ~~such hearing shall have all powers and rights granted to~~  
4 ~~the Board in this Act. The record made at the time of the~~  
5 ~~hearing shall be reviewed by the Board, or a majority~~  
6 ~~thereof, and the findings and decision of the majority of~~  
7 ~~the Board shall constitute the order of the Board in such~~  
8 ~~case;~~

9 (9) To maintain records which are separate and distinct  
10 from the records of any other State board or commission.  
11 Such records shall be available for public inspection and  
12 shall accurately reflect all Board proceedings;

13 (10) (Blank) ~~To file a written annual report with the~~  
14 ~~Governor on or before March 1 each year and such additional~~  
15 ~~reports as the Governor may request. The annual report~~  
16 ~~shall include a statement of receipts and disbursements by~~  
17 ~~the Board, actions taken by the Board, and any additional~~  
18 ~~information and recommendations which the Board may deem~~  
19 ~~valuable or which the Governor may request;~~

20 (11) (Blank);

21 (12) (Blank) ~~To assume responsibility for the~~  
22 ~~administration and enforcement of the Bingo License and Tax~~  
23 ~~Act, the Charitable Games Act, and the Pull Tabs and Jar~~  
24 ~~Games Act if such responsibility is delegated to it by the~~  
25 ~~Director of Revenue; and~~

26 (13) To assume responsibility for administration and

1 enforcement of the Video Gaming Act.

2 (c) The Board shall have jurisdiction over and shall  
3 supervise all gambling operations governed by this Act. The  
4 Board shall have all powers necessary and proper to fully and  
5 effectively execute the provisions of this Act, including, but  
6 not limited to, the following:

7 (1) To investigate applicants and determine the  
8 eligibility of applicants for licenses and to select among  
9 competing applicants the applicants which best serve the  
10 interests of the citizens of Illinois.

11 (2) To have jurisdiction and supervision over all  
12 riverboat gambling operations in this State and all persons  
13 on riverboats where gambling operations are conducted.

14 (3) To promulgate rules and regulations for the purpose  
15 of administering the provisions of this Act and to  
16 prescribe rules, regulations and conditions under which  
17 all riverboat gambling in the State shall be conducted.  
18 Such rules and regulations are to provide for the  
19 prevention of practices detrimental to the public interest  
20 and for the best interests of riverboat gambling, including  
21 rules and regulations regarding the inspection of such  
22 riverboats and the review of any permits or licenses  
23 necessary to operate a riverboat under any laws or  
24 regulations applicable to riverboats, and to impose  
25 penalties for violations thereof.

26 (4) To enter the office, riverboats, facilities, or



1 other places of business of a licensee, where evidence of  
2 the compliance or noncompliance with the provisions of this  
3 Act is likely to be found.

4 (5) To investigate alleged violations of this Act or  
5 the rules of the Board and to take appropriate disciplinary  
6 action against a licensee or a holder of an occupational  
7 license for a violation, or institute appropriate legal  
8 action for enforcement, or both.

9 (6) To adopt standards for the licensing of all persons  
10 under this Act, as well as for electronic or mechanical  
11 gambling games, and to establish fees for such licenses.

12 (7) To adopt appropriate standards for all riverboats  
13 and facilities.

14 (8) To require that the records, including financial or  
15 other statements of any licensee under this Act, shall be  
16 kept in such manner as prescribed by the Board and that any  
17 such licensee involved in the ownership or management of  
18 gambling operations submit to the Board an annual balance  
19 sheet and profit and loss statement, list of the  
20 stockholders or other persons having a 1% or greater  
21 beneficial interest in the gambling activities of each  
22 licensee, and any other information the Board deems  
23 necessary in order to effectively administer this Act and  
24 all rules, regulations, orders and final decisions  
25 promulgated under this Act.

26 (9) To conduct hearings, issue subpoenas for the

1 attendance of witnesses and subpoenas duces tecum for the  
2 production of books, records and other pertinent documents  
3 in accordance with the Illinois Administrative Procedure  
4 Act, and to administer oaths and affirmations to the  
5 witnesses, when, in the judgment of the Board, it is  
6 necessary to administer or enforce this Act or the Board  
7 rules.

8 (10) To prescribe a form to be used by any licensee  
9 involved in the ownership or management of gambling  
10 operations as an application for employment for their  
11 employees.

12 (11) To revoke or suspend licenses, as the Board may  
13 see fit and in compliance with applicable laws of the State  
14 regarding administrative procedures, and to review  
15 applications for the renewal of licenses.

16 (11.5) To ~~The Board may~~ suspend an owners license,  
17 without notice or hearing, upon a determination that the  
18 safety or health of patrons or employees is jeopardized by  
19 continuing a riverboat's operation. The suspension may  
20 remain in effect until the Board determines that the cause  
21 for suspension has been abated. After such a suspension,  
22 the ~~The~~ Board may revoke the owners license upon a  
23 determination that the licensee ~~owner~~ has not made  
24 satisfactory progress toward abating the hazard.

25 (12) To eject or exclude or authorize the ejection or  
26 exclusion of, any person from riverboat gambling

1 facilities where such person is in violation of this Act,  
2 rules and regulations thereunder, or final orders of the  
3 Board, or where such person's conduct or reputation is such  
4 that his presence within the riverboat gambling facilities  
5 may, in the opinion of the Board, call into question the  
6 honesty and integrity of the gambling operations or  
7 interfere with orderly conduct thereof; provided that the  
8 propriety of such ejection or exclusion is subject to  
9 subsequent hearing by the Board.

10 (13) To require all licensees of gambling operations to  
11 utilize a cashless wagering system whereby all players'  
12 money is converted to tokens, electronic cards, or chips  
13 which shall be used only for wagering in the gambling  
14 establishment.

15 (14) (Blank).

16 (15) To suspend, revoke or restrict licenses, to  
17 require the removal of a licensee or an employee of a  
18 licensee for a violation of this Act or a Board rule or for  
19 engaging in a fraudulent practice, and to impose civil  
20 penalties of up to \$5,000 against individuals and up to  
21 \$10,000 or an amount equal to the daily gross receipts,  
22 whichever is larger, against licensees for each violation  
23 of any provision of the Act, any rules adopted by the  
24 Board, any order of the Board or any other action which, in  
25 the Board's discretion, is a detriment or impediment to  
26 riverboat gambling operations.

1           (16) To hire employees to gather information, conduct  
2 investigations and carry out any other tasks contemplated  
3 under this Act.

4           (17) To establish minimum levels of insurance to be  
5 maintained by licensees.

6           (18) To authorize a licensee to sell or serve alcoholic  
7 liquors, wine or beer as defined in the Liquor Control Act  
8 of 1934 on board a riverboat and to have exclusive  
9 authority to establish the hours for sale and consumption  
10 of alcoholic liquor on board a riverboat, notwithstanding  
11 any provision of the Liquor Control Act of 1934 or any  
12 local ordinance, and regardless of whether the riverboat  
13 makes excursions. The establishment of the hours for sale  
14 and consumption of alcoholic liquor on board a riverboat is  
15 an exclusive power and function of the State. A home rule  
16 unit may not establish the hours for sale and consumption  
17 of alcoholic liquor on board a riverboat. This amendatory  
18 Act of 1991 is a denial and limitation of home rule powers  
19 and functions under subsection (h) of Section 6 of Article  
20 VII of the Illinois Constitution.

21           (19) After consultation with the U.S. Army Corps of  
22 Engineers, to establish binding emergency orders upon the  
23 concurrence of a majority of the members of the Board  
24 regarding the navigability of water, relative to  
25 excursions, in the event of extreme weather conditions,  
26 acts of God or other extreme circumstances.

1           (20) To delegate the execution of any of its powers  
2 under this Act for the purpose of administering and  
3 enforcing this Act and its rules and regulations hereunder.

4           (20.6) To appoint investigators to conduct  
5 investigations, searches, seizures, arrests, and other  
6 duties imposed under this Act, as deemed necessary by the  
7 Board. These investigators have and may exercise all of the  
8 rights and powers of peace officers, provided that these  
9 powers shall be limited to offenses or violations occurring  
10 or committed on a riverboat or dock, as defined in  
11 subsections (d) and (f) of Section 4, or as otherwise  
12 provided by this Act or any other law.

13           (20.7) To contract with the Department of State Police  
14 for the use of trained and qualified State police officers  
15 and with the Department of Revenue for the use of trained  
16 and qualified Department of Revenue investigators to  
17 conduct investigations, searches, seizures, arrests, and  
18 other duties imposed under this Act and to exercise all of  
19 the rights and powers of peace officers, provided that the  
20 powers of Department of Revenue investigators under this  
21 subdivision (20.7) shall be limited to offenses or  
22 violations occurring or committed on a riverboat or dock,  
23 as defined in subsections (d) and (f) of Section 4, or as  
24 otherwise provided by this Act or any other law. In the  
25 event the Department of State Police or the Department of  
26 Revenue is unable to fill contracted police or

1           investigative positions, the Board may appoint  
2           investigators to fill those positions pursuant to  
3           subdivision (20.6).

4           (21) When all 5 members of the Board are appointed and  
5           qualified pursuant to this amendatory Act of the 96th  
6           General Assembly, to review all contracts entered into by  
7           owners licensees authorized under this Act. The Board must  
8           review and approve all contracts entered into by a owners  
9           licensee for an aggregate amount of \$10,000 or more or for  
10           a term to exceed 365 days. If a contract has been entered  
11           into prior to Board authorization of a requested action,  
12           including without limitation a contract for a construction  
13           project for expansion of a facility, or for construction of  
14           a relocated facility, then the contract is not valid until  
15           the Board approves both the requested action and the  
16           contract itself.

17           (22) ~~(21)~~ To take any other action as may be reasonable  
18           or appropriate to enforce this Act and rules and  
19           regulations hereunder.

20           (d) The Board may seek and shall receive the cooperation of  
21           the Department of State Police in conducting background  
22           investigations of applicants and in fulfilling its  
23           responsibilities under this Section. Costs incurred by the  
24           Department of State Police as a result of such cooperation  
25           shall be paid by the Board in conformance with the requirements  
26           of Section 2605-400 of the Department of State Police Law (20

1 ILCS 2605/2605-400).

2 (e) The Board must authorize to each investigator and to  
3 any other employee of the Board exercising the powers of a  
4 peace officer a distinct badge that, on its face, (i) clearly  
5 states that the badge is authorized by the Board and (ii)  
6 contains a unique identifying number. No other badge shall be  
7 authorized by the Board.

8 (f) Except as provided in subsection (h) of Section 5.4,  
9 all Board meetings are subject to the Open Meetings Act. Three  
10 members of the Board constitute a quorum, and 3 votes are  
11 required for any final determination by the Board. The Board  
12 shall keep a complete and accurate record of all its meetings.  
13 A majority of the members of the Board constitute a quorum for  
14 the transaction of any business, for the performance of any  
15 duty, or for the exercise of any power that this Act requires  
16 the Board members to transact, perform, or exercise en banc,  
17 except that, upon order of the Board, one of the Board members  
18 or an administrative law judge designated by the Board may  
19 conduct any hearing provided for under this Act or by Board  
20 rule and may recommend findings and decisions to the Board. The  
21 Board member or administrative law judge conducting such  
22 hearing has all powers and rights granted to the Board in this  
23 Act. The record made at the time of the hearing shall be  
24 reviewed by the Board, or a majority thereof, and the findings  
25 and decision of the majority of the Board constitutes the order  
26 of the Board in such case.

1       (g) The Board shall carry on a continuous study of the  
2 operation and administration of gaming laws that may be in  
3 effect in other jurisdictions, literature on this subject that  
4 may from time to time become available, federal laws that may  
5 affect the operation of gaming in this State, and the reaction  
6 of Illinois citizens to existing and potential features of  
7 gaming under this Act. The Board is responsible for  
8 ascertaining any defects in this Act or in the rules adopted  
9 thereunder, formulating recommendations for changes in this  
10 Act to prevent abuses thereof, guarding against the use of this  
11 Act as a cloak for the carrying on of illegal gambling or other  
12 criminal activities, and insuring that this Act and the rules  
13 are in such form and so administered as to serve the true  
14 purposes of this Act.

15       (h) The Board shall file with the Governor and the General  
16 Assembly an annual report of (i) all revenues, expenses, and  
17 disbursements, (ii) actions taken by the Board, and (iii) any  
18 recommendations for changes in this Act as the Board deems  
19 necessary or desirable. The Board shall also report  
20 recommendations that promote more efficient operations of the  
21 Board.

22       (i) The Board shall report immediately to the Governor and  
23 the General Assembly any matters that in its judgment require  
24 immediate changes in the laws of this State in order to prevent  
25 abuses and evasions of this Act or of its rules or to rectify  
26 undesirable conditions in connection with the operation and



1 regulation of gambling operations.

2 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; revised  
3 8-20-09.)

4 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

5 Sec. 5.1. Disclosure of records.

6 (a) Notwithstanding any applicable statutory provision to  
7 the contrary, the Board shall, on written request from any  
8 person, provide information furnished by an applicant or  
9 licensee concerning the applicant or licensee, his products,  
10 services or gambling enterprises and his business holdings, as  
11 follows:

12 (1) The name, business address and business telephone  
13 number of any applicant or licensee.

14 (2) An identification of any applicant or licensee  
15 including, if an applicant or licensee is not an  
16 individual, the state of incorporation or registration,  
17 the corporate officers, and the identity of all  
18 shareholders or participants. If an applicant or licensee  
19 has a pending registration statement filed with the  
20 Securities and Exchange Commission, only the names of those  
21 persons or entities holding interest of 1% ~~5%~~ or more must  
22 be provided.

23 (3) An identification of any business, including, if  
24 applicable, the state of incorporation or registration, in  
25 which an applicant or licensee or an applicant's or

1 licensee's spouse or children has an equity interest of  
2 more than 1% ~~5%~~. If an applicant or licensee is a  
3 corporation, partnership or other business entity, the  
4 applicant or licensee shall identify any other  
5 corporation, partnership or business entity in which it has  
6 an equity interest of 1% ~~5%~~ or more, including, if  
7 applicable, the state of incorporation or registration.  
8 This information need not be provided by a corporation,  
9 partnership or other business entity that has a pending  
10 registration statement filed with the Securities and  
11 Exchange Commission.

12 (4) Whether an applicant or licensee has been indicted,  
13 convicted, pleaded guilty or nolo contendere, or forfeited  
14 bail concerning any criminal offense under the laws of any  
15 jurisdiction, either felony or misdemeanor (except for  
16 traffic violations), including the date, the name and  
17 location of the court, arresting agency and prosecuting  
18 agency, the case number, the offense, the disposition and  
19 the location and length of incarceration.

20 (5) Whether an applicant or licensee has had any  
21 license or certificate issued by a licensing authority in  
22 Illinois or any other jurisdiction denied, restricted,  
23 suspended, revoked or not renewed and a statement  
24 describing the facts and circumstances concerning the  
25 denial, restriction, suspension, revocation or  
26 non-renewal, including the licensing authority, the date

1 each such action was taken, and the reason for each such  
2 action.

3 (6) Whether an applicant or licensee has ever filed or  
4 had filed against it a proceeding in bankruptcy or has ever  
5 been involved in any formal process to adjust, defer,  
6 suspend or otherwise work out the payment of any debt  
7 including the date of filing, the name and location of the  
8 court, the case and number of the disposition.

9 (7) Whether an applicant or licensee has filed, or been  
10 served with a complaint or other notice filed with any  
11 public body, regarding the delinquency in the payment of,  
12 or a dispute over the filings concerning the payment of,  
13 any tax required under federal, State or local law,  
14 including the amount, type of tax, the taxing agency and  
15 time periods involved.

16 (8) A statement listing the names and titles of all  
17 public officials or officers of any unit of government, and  
18 relatives of said public officials or officers who,  
19 directly or indirectly, own any financial interest in, have  
20 any beneficial interest in, are the creditors of or hold  
21 any debt instrument issued by, or hold or have any interest  
22 in any contractual or service relationship with, an  
23 applicant or licensee.

24 (9) Whether an applicant or licensee has made, directly  
25 or indirectly, any political contribution, or any loans,  
26 donations or other payments, to any candidate or office

1 holder, within 5 years from the date of filing the  
2 application, including the amount and the method of  
3 payment.

4 (10) The name and business telephone number of the  
5 counsel representing an applicant or licensee in matters  
6 before the Board.

7 (11) A description of any proposed or approved  
8 riverboat gaming operation, including the type of boat,  
9 home dock location, expected economic benefit to the  
10 community, anticipated or actual number of employees, any  
11 statement from an applicant or licensee regarding  
12 compliance with federal and State affirmative action  
13 guidelines, projected or actual admissions and projected  
14 or actual adjusted gross gaming receipts.

15 (12) A description of the product or service to be  
16 supplied by an applicant for a supplier's license.

17 (b) Notwithstanding any applicable statutory provision to  
18 the contrary, the Board shall, on written request from any  
19 person, also provide the following information furnished by an  
20 applicant for a owners license or owners licensee:

21 (1) The amount of the wagering tax and admission tax  
22 paid daily to the State of Illinois by the holder of an  
23 owner's license.

24 (2) Whenever the Board finds an applicant for an  
25 owner's license unsuitable for licensing, a copy of the  
26 written letter outlining the reasons for the denial.

1           (3) Whenever the Board has refused to grant leave for  
2           an applicant to withdraw his application, a copy of the  
3           letter outlining the reasons for the refusal.

4           (c) Subject to the above provisions, the Board shall not  
5           disclose any information which would be barred by:

6                   (1) Section 7 of the Freedom of Information Act; or

7                   (2) The statutes, rules, regulations or  
8           intergovernmental agreements of any jurisdiction.

9           (d) The Board may assess fees for the copying of  
10          information in accordance with Section 6 of the Freedom of  
11          Information Act.

12          (Source: P.A. 87-826.)

13                   (230 ILCS 10/5.2 new)

14          Sec. 5.2. Separation from Department of Revenue. On the  
15          effective date of this amendatory Act of the 96th General  
16          Assembly, all of the powers, duties, assets, liabilities,  
17          employees, contracts, property, records, pending business, and  
18          unexpended appropriations of the Department of Revenue related  
19          to the administration and enforcement of this Act are  
20          transferred to the Illinois Gaming Board.

21          The status and rights of the transferred employees, and the  
22          rights of the State of Illinois and its agencies, under the  
23          Personnel Code and applicable collective bargaining agreements  
24          or under any pension, retirement, or annuity plan are not  
25          affected (except as provided in the Illinois Pension Code) by

1 that transfer or by any other provision of this amendatory Act  
2 of the 96th General Assembly.

3 (230 ILCS 10/5.3 new)

4 Sec. 5.3. Nomination Panel.

5 (a) The Nomination Panel is established to provide a list  
6 of nominees to the Governor for appointment to the Illinois  
7 Gaming Board. Members of the Nomination Panel shall be  
8 appointed by majority vote of the following appointing  
9 authorities: (1) the Executive Ethics Commissioner appointed  
10 by the Secretary of State; (2) the Executive Ethics  
11 Commissioner appointed by the Treasurer; (3) the Executive  
12 Ethics Commissioner appointed by the Comptroller; (4) the  
13 Executive Ethics Commissioner appointed by the Attorney  
14 General; and (5) the Executive Ethics Commissioner appointed to  
15 serve as the first Chairman of the Executive Ethics Commission,  
16 or, upon his or her disqualification or resignation, the  
17 longest-serving Executive Ethics Commissioner appointed by the  
18 Governor. Provided, however, the appointing authorities as of  
19 the effective date of this amendatory Act of the 96th General  
20 Assembly shall remain empowered to fill vacancies on the  
21 Nomination Panel until all members of the new Gaming Board have  
22 been appointed and qualified, regardless of whether such  
23 appointing authorities remain members of the Executive Ethics  
24 Commission. For appointing authorities who were appointed to  
25 the Executive Ethics Commission by a Constitutional officer

1 other than the Governor, in the event of such appointing  
2 authority's disqualification, resignation, or refusal to serve  
3 as an appointing authority, the Constitutional officer that  
4 appointed the Executive Ethics Commissioner may name a designee  
5 to serve as an appointing authority for the Nomination Panel.  
6 For the appointing authority who was appointed to the Executive  
7 Ethics Commission by the Governor, in the event of such  
8 appointing authority's disqualification, resignation, or  
9 refusal to serve as an appointing authority, the  
10 longest-serving Executive Ethics Commissioner appointed by the  
11 Governor shall become the appointing authority. The appointing  
12 authorities may hold so many public or non-public meetings as  
13 is required to fulfill their duties, and may utilize the staff  
14 and budget of the Executive Ethics Commission in carrying out  
15 their duties; provided, however, that a final vote on  
16 appointees to the Nomination Panel shall take place in a  
17 meeting governed by the Open Meetings Act. Any ex parte  
18 communications regarding the Nomination Panel must be made a  
19 part of the record at the next public meeting and part of a  
20 written record. The appointing authorities shall file a list of  
21 members of the Nomination Panel with the Secretary of State  
22 within 60 days after the effective date of this amendatory Act  
23 of the 96th General Assembly. A vacancy on the Nomination Panel  
24 due to disqualification or resignation must be filled within 60  
25 days of a vacancy and the appointing authorities must file the  
26 name of the new appointee with the Secretary of State.

1       (b) The Nomination Panel shall consist of the following  
2 members: (i) 2 members shall be former federal or State judges  
3 from Illinois, (ii) 2 members shall be former federal  
4 prosecutors from Illinois, (iii) one member shall be a former  
5 sworn federal officer with investigatory experience with a  
6 federal agency, including but not limited to the Federal Bureau  
7 of Investigation, the Internal Revenue Service, the Securities  
8 and Exchange Commission, the Drug Enforcement Administration,  
9 the Bureau of Alcohol, Tobacco, Firearms and Explosives, or any  
10 other federal agency, (iv) 2 former members of federal agencies  
11 with experience in regulatory oversight, and (v) 2 members with  
12 at least 5 years of experience with nonprofit agencies in  
13 Illinois committed to public-interest advocacy, after the  
14 appointing authorities' solicitation of recommendations from  
15 the Campaign for Political Reform, the Better Government  
16 Association, the Chicago Crime Commission, the League of Women  
17 Voters, the Urban League, the Mexican American Legal Defense  
18 and Educational Fund, the Citizen Advocacy Center, and any  
19 other source deemed appropriate. Each member of the Panel shall  
20 receive \$300 for each day the Panel meets.

21       (c) Candidates for nomination to the Illinois Gaming Board  
22 may apply or be nominated. All candidates must fill out a  
23 written application and submit to a background investigation to  
24 be eligible for consideration. The written application must  
25 include, at a minimum, a sworn statement disclosing any  
26 communications that the applicant has engaged in with a



1 constitutional officer, a member of the General Assembly, a  
2 special government agent (as that term is defined in Section  
3 4A-101 of the Illinois Governmental Ethics Act), a director,  
4 secretary, or other employee of the executive branch of the  
5 State, or an employee of the legislative branch of the State  
6 related to the regulation of gaming within the last year.

7 A person who provides false or misleading information on  
8 the application or fails to disclose a communication required  
9 to be disclosed in the sworn statement under this Section is  
10 guilty of a Class 4 felony.

11 (d) Once an application is submitted to the Nomination  
12 Panel and until (1) the candidate is rejected by the Nomination  
13 Panel, (2) the candidate is rejected by the Governor, (3) the  
14 candidate is rejected by the Senate, or (4) the candidate is  
15 confirmed by the Senate, whichever is applicable, a candidate  
16 may not engage in ex parte communications, as that term is  
17 defined in Section 5.5 of this Act.

18 (e) For the purpose of making the initial nominations after  
19 the effective date of the amendatory Act of the 96th General  
20 Assembly, the Nomination Panel shall request the assistance of  
21 the Federal Bureau of Investigation to conduct the background  
22 investigation. If the Federal Bureau of Investigation does not  
23 agree to conduct the background investigations within 120 days  
24 after the request, the Nomination Panel may contract with an  
25 independent agency that specialized in conducting personal  
26 investigations. The Nomination Panel, however, may not engage

1 the services or enter into any contract with State or local  
2 agencies. The Nomination Panel shall conduct a background  
3 investigation on eligible applicants prior to nomination.

4 (f) The Nomination Panel must review written applications,  
5 determine eligibility for oral interviews, confirm  
6 satisfactory background investigations, and hold public  
7 hearings on qualifications of candidates. Initial interviews  
8 of candidates need not be held in meetings subject to the Open  
9 Meetings Act; members or staff may arrange for informal  
10 interviews. Prior to recommendation, however, the Nomination  
11 Panel must question candidates in a meeting subject to the Open  
12 Meetings Act under oath.

13 (g) The Nomination Panel must recommend 15 candidates for  
14 nomination to the Illinois Gaming Board. The Governor may  
15 choose only from these recommendations. The Nomination Panel  
16 shall deliver a list of the nominees, including a memorandum  
17 detailing the nominees' qualifications, to the Governor. After  
18 submitting the names to the Governor, the Nomination Panel  
19 shall file a copy along with a statement confirming delivery of  
20 the list and memorandum to the Governor with the Secretary of  
21 State. The Secretary of State shall indicate the date and time  
22 of filing.

23 (h) After reviewing the nominations, the Governor may  
24 select 5 nominees for the Illinois Gaming Board to be confirmed  
25 by the Senate. The Governor shall file the names of his  
26 nominees with the Senate and the Secretary of State. The

1 Secretary of State shall indicate the date and time of filing.

2 The Governor has 90 days from the date the Nomination Panel  
3 files with the Secretary of State to select nominees for  
4 confirmation by the Senate. If the Governor does not select all  
5 nominees within 90 days, the Nomination Panel may select the  
6 members or remaining members of the Board. The Nomination Panel  
7 shall file the names of nominees with the Senate and the  
8 Secretary of State. The Secretary of State shall indicate the  
9 date and time of filing.

10 (i) Selections by the Governor or Nomination Panel must  
11 receive the consent of the Senate by two-thirds of members by  
12 record vote. Any nomination not acted upon within 30 calendar  
13 days after the date of filing with the Secretary of State shall  
14 be deemed to have received the advice and consent of the  
15 Senate.

16 (j) When a vacancy occurs on the Illinois Gaming Board, the  
17 Nomination Panel shall use its best efforts to recommend at  
18 least 3 candidates for that vacancy within 90 days after the  
19 vacancy, and the Governor shall respond within 90 days or the  
20 Nomination Panel may make the appointment. Vacancies shall be  
21 confirmed in the same manner prescribed in this Section.

22 (230 ILCS 10/5.5 new)

23 Sec. 5.5. Ethics provisions.

24 (a) Conflict of Interest. Board members, members of the  
25 Nomination Panel, and employees may not engage in

1 communications or any activity that may cause or have the  
2 appearance of causing a conflict of interest. A conflict of  
3 interest exists if a situation influences or creates the  
4 appearance that it may influence judgment or performance of  
5 regulatory duties and responsibilities. This prohibition shall  
6 extend to any act identified by Board action that, in the  
7 judgment of the Board, could represent the potential for or the  
8 appearance of a conflict of interest.

9 (b) Financial Interest. Board members, members of the  
10 Nomination Panel, and employees may not have a financial  
11 interest, directly or indirectly, in his or her own name or in  
12 the name of any other person, partnership, association, trust,  
13 corporation, or other entity, in any contract or subcontract  
14 for the performance of any work for the Board of any licensee.  
15 This prohibition shall extend to the holding or acquisition of  
16 an interest in any entity identified by Board action that, in  
17 the judgment of the Board, could represent the potential for or  
18 the appearance of a financial interest. The holding or  
19 acquisition of an interest in such entities through an indirect  
20 means, such as through a mutual fund, shall not be prohibited,  
21 except that Board may identify specific investments or funds  
22 that, in its judgment, are so influenced by gaming holdings as  
23 to represent the potential for or the appearance of a conflict  
24 of interest.

25 (c) Gambling. Except as may be required in the conduct of  
26 official duties, Board members and employees shall not engage

1 in gambling on any riverboat licensed by the Board or engage in  
2 legalized gambling in any establishment identified by Board  
3 action that, in the judgment of the Board, could represent a  
4 potential for a conflict of interest.

5 (d) Outside employment. A Board member or an employee may  
6 not, within a period of 5 years immediately after termination  
7 of employment, knowingly accept employment or receive  
8 compensation or fees for services from a person or entity, or  
9 its parent or affiliate, that has engaged in business with the  
10 Board that resulted in contracts with an aggregate value of at  
11 least \$25,000 or made a decision that directly applied to the  
12 person or entity, or its parent or affiliate. Board members and  
13 employees shall not hold or pursue employment, office,  
14 position, business, or occupation that conflict with his or her  
15 official duties. Board members shall not engage in other  
16 employment. Employees may engage in other gainful employment so  
17 long as that employment does not interfere or conflict with  
18 their duties and such employment is approved by the Board.

19 (e) Gift ban. Board members and employees may not accept  
20 any gift, gratuity, service, compensation, travel, lodging, or  
21 thing of value, with the exception of unsolicited items of an  
22 incidental nature, from any person, corporation or entity doing  
23 business with the Board.

24 (f) Abuse of Position. A Board member, member of the  
25 Nomination Panel, or employee shall not use or attempt to use  
26 his or her official position to secure, or attempt to secure,

1 any privilege, advantage, favor, or influence for himself or  
2 herself or others.

3 (g) Political activity. No member of the Board or employee,  
4 shall engage in any political activity. For the purposes of  
5 this subsection, "political activity" means any activity in  
6 support of or in connection with any campaign for State or  
7 local elective office or any political organization, but does  
8 not include activities (i) relating to the support of  
9 opposition of any executive, legislative, or administrative  
10 action (as those terms are defined in Section 2 of the Lobbyist  
11 Registration Act), (ii) relating to collective bargaining, or  
12 (iii) that are otherwise in furtherance of the person's  
13 official State duties or governmental and public service  
14 functions.

15 (h) A spouse, child, or parent of a Board member or an  
16 employee may not:

17 (1) Have a financial interest, directly or indirectly,  
18 in his or her own name or in the name of any other person,  
19 partnership, association, trust, corporation, or other  
20 entity, in any contract or subcontract for the performance  
21 of any work for the Board of any licensee. This prohibition  
22 shall extend to the holding or acquisition of an interest  
23 in any entity identified by Board action that, in the  
24 judgment of the Board, could represent the potential for or  
25 the appearance of a conflict of interest. The holding or  
26 acquisition of an interest in such entities through an

1 indirect means, such as through a mutual fund, shall not be  
2 prohibited, except that the Board may identify specific  
3 investments or funds that, in its judgment, are so  
4 influenced by gaming holdings as to represent the potential  
5 for or the appearance of a conflict of interest.

6 (2) Accept any gift, gratuity, service, compensation,  
7 travel, lodging, or thing of value, with the exception of  
8 unsolicited items of an incidental nature, from any person,  
9 corporation or entity doing business with the Board.

10 (i) Any Board member, member of the Nomination Panel, or  
11 employee or spouse, child, or parent of a Board member, member  
12 of the Nomination Panel, or employee who violates any provision  
13 of this Section is guilty of a Class 4 felony.

14 (230 ILCS 10/5.7 new)

15 Sec. 5.7. Ex parte communications.

16 (a) For the purpose of this Section:

17 "Ex parte communication" means any written or oral  
18 communication by any person that imparts or requests material  
19 information or makes a material argument regarding potential  
20 action concerning regulatory, quasi regulatory, investment, or  
21 licensing matters pending before or under consideration by the  
22 Illinois Gaming Board. "Ex parte communication" does not  
23 include the following: (i) statements by a person publicly made  
24 in a public forum; (ii) statements regarding matters of  
25 procedure and practice, such as format, the number of copies

1 required, the manner of filing, and the status of a matter;  
2 (iii) statements regarding recommendation for pending or  
3 approved legislation; (iv) statements made by a State employee  
4 of the agency to the agency head or other employees of that  
5 agency.

6 "Interested party" means a person or entity whose rights,  
7 privileges, or interests are the subject of or are directly  
8 affected by a regulatory, quasi-adjudicatory, investment, or  
9 licensing matter of the Board.

10 (b) A constitutional officer, a member of the General  
11 Assembly, a special government agent as that term is defined in  
12 Section 4A-101 of the Illinois Governmental Ethics Act, a  
13 director, secretary, or other employee of the executive branch  
14 of the State, an employee of the legislative branch of the  
15 State, or an interested party may not engage in any ex parte  
16 communication with a member of the Board or an employee. A  
17 member of the Board or an employee must immediately report any  
18 ex parte communication to the Inspector General for gaming  
19 activities. A violation of this subsection (b) is a Class 4  
20 felony.

21 (c) A constitutional officer, a member of the General  
22 Assembly, a special government agent as that term is defined in  
23 Section 4A-101 of the Illinois Governmental Ethics Act, a  
24 director, secretary, or other employee of the executive branch  
25 of the State, an employee of the legislative branch of the  
26 State, or an interested party may not engage in any ex parte



1 communication with a nominee for the Board. A person is deemed  
2 a nominee once they have submitted information to the  
3 nomination panel. A nominee must immediately report any ex  
4 parte communication to the Inspector General for gaming  
5 activities. A violation of this subsection (c) is a Class 4  
6 felony.

7 (d) Any ex parte communication from a constitutional  
8 officer, a member of the General Assembly, a special government  
9 agent as that term is defined in Section 4A-101 of the Illinois  
10 Governmental Ethics Act, a director, secretary, or other  
11 employee of the executive branch of the State, an employee of  
12 the legislative branch of the State, or an interested party  
13 received by a member of the Nomination Panel or employee  
14 assisting the Nomination Panel must be immediately  
15 memorialized and made a part of the record at the next meeting.  
16 Report of the communication shall include all written  
17 communications along with a statement describing the nature and  
18 substance of all oral communications, any action the person  
19 requested or recommended, the identity and job title of the  
20 person to whom each communication was made, all responses made  
21 by the member. A violation of this subsection (d) is Class A  
22 misdemeanor.

23 (230 ILCS 10/9.5 new)

24 Sec. 9.5. Contractor disclosure of political  
25 contributions.

1       (a) As used in this Section:

2       "Contracts" means any agreement for services or goods for a  
3 period to exceed one year or with an annual value of at least  
4 \$10,000.

5       "Contribution" means contribution as defined in this act.

6       "Affiliated person" means (i) any person with any ownership  
7 interest or distributive share of the bidding or contracting  
8 entity in excess of 1%, (ii) executive employees of the bidding  
9 or contracting entity, and (iii) the spouse and minor children  
10 of any such persons.

11       "Affiliated entity" means (i) any parent or subsidiary of  
12 the bidding or contracting entity, (ii) any member of the same  
13 unitary business group, or (iii) any political committee for  
14 which the bidding or contracting entity is the sponsoring  
15 entity.

16       (b) A bidder, offeror, or contractor for contracts with a  
17 licensee shall disclose all political contributions of the  
18 bidder, offeror, or contractor and any affiliated person or  
19 entity. Such disclosure must accompany any contract. The  
20 disclosure must be submitted to the Board with a copy of the  
21 contract prior to Board approval of the contract. The  
22 disclosure of each successful bidder or offeror shall become  
23 part of the publicly available record.

24       (c) Disclosure by the bidder, offeror, or contractor shall  
25 include at least the names and addresses of the contributors  
26 and the dollar amounts of any contributions to any political

1 committee made within the previous 2 years.

2 (d) The Board shall refuse to approve any contract that  
3 does not include the required disclosure. The Board must  
4 include the disclosure on their website.

5 (e) The Board may direct a licensee to void a contract if a  
6 violation of this Section occurs.

7 (230 ILCS 10/11) (from Ch. 120, par. 2411)

8 Sec. 11. Conduct of gambling. Gambling may be conducted by  
9 licensed owners or licensed managers on behalf of the State  
10 aboard riverboats, subject to the following standards:

11 (1) A licensee may conduct riverboat gambling  
12 authorized under this Act regardless of whether it conducts  
13 excursion cruises. A licensee may permit the continuous  
14 ingress and egress of passengers for the purpose of  
15 gambling.

16 (2) (Blank).

17 (3) Minimum and maximum wagers on games shall be set by  
18 the licensee.

19 (4) Agents of the Board ~~and the Department of State~~  
20 ~~Police~~ may board and inspect any riverboat at any time for  
21 the purpose of determining whether this Act is being  
22 complied with. Every riverboat, if under way and being  
23 hailed by a law enforcement officer or agent of the Board,  
24 must stop immediately and lay to.

25 (5) Employees of the Board shall have the right to be

1 present on the riverboat or on adjacent facilities under  
2 the control of the licensee.

3 (6) Gambling equipment and supplies customarily used  
4 in conducting riverboat gambling must be purchased or  
5 leased only from suppliers licensed for such purpose under  
6 this Act.

7 (7) Persons licensed under this Act shall permit no  
8 form of wagering on gambling games except as permitted by  
9 this Act.

10 (8) Wagers may be received only from a person present  
11 on a licensed riverboat. No person present on a licensed  
12 riverboat shall place or attempt to place a wager on behalf  
13 of another person who is not present on the riverboat.

14 (9) Wagering shall not be conducted with money or other  
15 negotiable currency.

16 (10) A person under age 21 shall not be permitted on an  
17 area of a riverboat where gambling is being conducted,  
18 except for a person at least 18 years of age who is an  
19 employee of the riverboat gambling operation. No employee  
20 under age 21 shall perform any function involved in  
21 gambling by the patrons. No person under age 21 shall be  
22 permitted to make a wager under this Act.

23 (11) Gambling excursion cruises are permitted only  
24 when the waterway for which the riverboat is licensed is  
25 navigable, as determined by the Board in consultation with  
26 the U.S. Army Corps of Engineers. This paragraph (11) does

1 not limit the ability of a licensee to conduct gambling  
2 authorized under this Act when gambling excursion cruises  
3 are not permitted.

4 (12) All tokens, chips or electronic cards used to make  
5 wagers must be purchased from a licensed owner or manager  
6 either aboard a riverboat or at an onshore facility which  
7 has been approved by the Board and which is located where  
8 the riverboat docks. The tokens, chips or electronic cards  
9 may be purchased by means of an agreement under which the  
10 owner or manager extends credit to the patron. Such tokens,  
11 chips or electronic cards may be used while aboard the  
12 riverboat only for the purpose of making wagers on gambling  
13 games.

14 (13) Notwithstanding any other Section of this Act, in  
15 addition to the other licenses authorized under this Act,  
16 the Board may issue special event licenses allowing persons  
17 who are not otherwise licensed to conduct riverboat  
18 gambling to conduct such gambling on a specified date or  
19 series of dates. Riverboat gambling under such a license  
20 may take place on a riverboat not normally used for  
21 riverboat gambling. The Board shall establish standards,  
22 fees and fines for, and limitations upon, such licenses,  
23 which may differ from the standards, fees, fines and  
24 limitations otherwise applicable under this Act. All such  
25 fees shall be deposited into the State Gaming Fund. All  
26 such fines shall be deposited into the Education Assistance

1 Fund, created by Public Act 86-0018, of the State of  
2 Illinois.

3 (14) In addition to the above, gambling must be  
4 conducted in accordance with all rules adopted by the  
5 Board.

6 (Source: P.A. 93-28, eff. 6-20-03.)

7 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

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

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

21 25% of annual adjusted gross receipts in excess of  
22 \$50,000,000 but not exceeding \$75,000,000;

23 30% of annual adjusted gross receipts in excess of  
24 \$75,000,000 but not exceeding \$100,000,000;

25 35% of annual adjusted gross receipts in excess of

1           \$100,000,000.

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

9           15% of annual adjusted gross receipts up to and  
10 including \$25,000,000;

11           22.5% of annual adjusted gross receipts in excess of  
12 \$25,000,000 but not exceeding \$50,000,000;

13           27.5% of annual adjusted gross receipts in excess of  
14 \$50,000,000 but not exceeding \$75,000,000;

15           32.5% of annual adjusted gross receipts in excess of  
16 \$75,000,000 but not exceeding \$100,000,000;

17           37.5% of annual adjusted gross receipts in excess of  
18 \$100,000,000 but not exceeding \$150,000,000;

19           45% of annual adjusted gross receipts in excess of  
20 \$150,000,000 but not exceeding \$200,000,000;

21           50% of annual adjusted gross receipts in excess of  
22 \$200,000,000.

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

1 the adjusted gross receipts received by a licensed owner from  
2 gambling games authorized under this Act at the following  
3 rates:

4 15% of annual adjusted gross receipts up to and  
5 including \$25,000,000;

6 27.5% of annual adjusted gross receipts in excess of  
7 \$25,000,000 but not exceeding \$37,500,000;

8 32.5% of annual adjusted gross receipts in excess of  
9 \$37,500,000 but not exceeding \$50,000,000;

10 37.5% of annual adjusted gross receipts in excess of  
11 \$50,000,000 but not exceeding \$75,000,000;

12 45% of annual adjusted gross receipts in excess of  
13 \$75,000,000 but not exceeding \$100,000,000;

14 50% of annual adjusted gross receipts in excess of  
15 \$100,000,000 but not exceeding \$250,000,000;

16 70% of annual adjusted gross receipts in excess of  
17 \$250,000,000.

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

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



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

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

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

18 22.5% of annual adjusted gross receipts in excess of  
19 \$25,000,000 but not exceeding \$50,000,000;

20 27.5% of annual adjusted gross receipts in excess of  
21 \$50,000,000 but not exceeding \$75,000,000;

22 32.5% of annual adjusted gross receipts in excess of  
23 \$75,000,000 but not exceeding \$100,000,000;

24 37.5% of annual adjusted gross receipts in excess of  
25 \$100,000,000 but not exceeding \$150,000,000;

26 45% of annual adjusted gross receipts in excess of

1           \$150,000,000 but not exceeding \$200,000,000;  
2           50% of annual adjusted gross receipts in excess of  
3           \$200,000,000.

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

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

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

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

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

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

1 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (c-5) Before May 26, 2006 (the effective date of Public Act  
20 94-804) and beginning on the effective date of this amendatory  
21 Act of the 95th General Assembly, unless any organization  
22 licensee under the Illinois Horse Racing Act of 1975 begins to  
23 operate a slot machine or video game of chance under the  
24 Illinois Horse Racing Act of 1975 or this Act, after the  
25 payments required under subsections (b) and (c) have been made,  
26 an amount equal to 15% of the adjusted gross receipts of (1) an

1 owners licensee that relocates pursuant to Section 11.2, (2) an  
2 owners licensee conducting riverboat gambling operations  
3 pursuant to an owners license that is initially issued after  
4 June 25, 1999, or (3) the first riverboat gambling operations  
5 conducted by a licensed manager on behalf of the State under  
6 Section 7.3, whichever comes first, shall be paid from the  
7 State Gaming Fund into the Horse Racing Equity Fund.

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

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

24 (c-20) Each year the General Assembly shall appropriate  
25 from the General Revenue Fund to the Education Assistance Fund  
26 an amount equal to the amount paid to each home rule county

1 with a population of over 3,000,000 inhabitants pursuant to  
2 subsection (c-15) in the prior calendar year.

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

13 (d) From time to time, the Board shall transfer the  
14 remainder of the funds generated by this Act into the Education  
15 Assistance Fund, created by Public Act 86-0018, of the State of  
16 Illinois.

17 (e) Nothing in this Act shall prohibit the unit of local  
18 government designated as the home dock of the riverboat from  
19 entering into agreements with other units of local government  
20 in this State or in other states to share its portion of the  
21 tax revenue.

22 (f) To the extent practicable, the Board shall administer  
23 and collect the wagering taxes imposed by this Section in a  
24 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
25 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
26 Retailers' Occupation Tax Act and Section 3-7 of the Uniform

1 Penalty and Interest Act.

2 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;

3 96-37, eff. 7-13-09.)

4 Section 99. Effective date. This Act takes effect upon

5 becoming law.



1 INDEX  
2 Statutes amended in order of appearance

3	5 ILCS 430/5-50	
4	5 ILCS 430/20-10	
5	5 ILCS 430/20-15	
6	15 ILCS 15/3.1	from Ch. 127, par. 1803.1
7	40 ILCS 5/14-111	from Ch. 108 1/2, par. 14-111
8	40 ILCS 5/18-127	from Ch. 108 1/2, par. 18-127
9	40 ILCS 5/18-169	
10	230 ILCS 10/5	from Ch. 120, par. 2405
11	230 ILCS 10/5.1	from Ch. 120, par. 2405.1
12	230 ILCS 10/5.2 new	
13	230 ILCS 10/5.3 new	
14	230 ILCS 10/5.5 new	
15	230 ILCS 10/5.7 new	
16	230 ILCS 10/9.5 new	
17	230 ILCS 10/11	from Ch. 120, par. 2411
18	230 ILCS 10/13	from Ch. 120, par. 2413