

# SB2169



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2169

Introduced 8/19/2015, by Sen. Michael Noland

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/13

from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Provides that an owners licensee that conducted gambling operations prior to January 1, 2015 shall receive a dollar-for-dollar credit against the taxes imposed by the Act for any money paid to a local government or charitable organization. Provides that the credit shall not impair, prevent, or otherwise limit the ability of a local government to receive certain funds under the Riverboat Gaming Act. Effective immediately.

LRB099 13689 MLM 37644 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5           (a-6) An owners licensee that conducted gambling  
6           operations prior to January 1, 2015 shall receive a  
7           dollar-for-dollar credit against the tax imposed under this  
8           Section for any money paid to a local government or charitable  
9           organization.

10           Nothing in this subsection (a-6) shall impair, prevent, or  
11           otherwise limit the ability of a local government to receive  
12           funds pursuant to subsection (b) of this Section, nor shall the  
13           amount received under subsection (b) of this Section be  
14           diminished.

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

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

21           (a-15) If the privilege tax imposed under subsection (a-3)  
22           is no longer imposed pursuant to item (i) of the last paragraph  
23           of subsection (a-3), then by June 15 of each year, each owners  
24           licensee, other than an owners licensee that admitted 1,000,000  
25           persons or fewer in calendar year 2004, must, in addition to  
26           the payment of all amounts otherwise due under this Section,

1 pay to the Board a reconciliation payment in the amount, if  
2 any, by which the licensed owner's base amount exceeds the  
3 amount of net privilege tax paid by the licensed owner to the  
4 Board in the then current State fiscal year. A licensed owner's  
5 net privilege tax obligation due for the balance of the State  
6 fiscal year shall be reduced up to the total of the amount paid  
7 by the licensed owner in its June 15 reconciliation payment.  
8 The obligation imposed by this subsection (a-15) is binding on  
9 any person, firm, corporation, or other entity that acquires an  
10 ownership interest in any such owners license. The obligation  
11 imposed under this subsection (a-15) terminates on the earliest  
12 of: (i) July 1, 2007, (ii) the first day after the effective  
13 date of this amendatory Act of the 94th General Assembly that  
14 riverboat gambling operations are conducted pursuant to a  
15 dormant license, (iii) the first day that riverboat gambling  
16 operations are conducted under the authority of an owners  
17 license that is in addition to the 10 owners licenses initially  
18 authorized under this Act, or (iv) the first day that a  
19 licensee under the Illinois Horse Racing Act of 1975 conducts  
20 gaming operations with slot machines or other electronic gaming  
21 devices. The Board must reduce the obligation imposed under  
22 this subsection (a-15) by an amount the Board deems reasonable  
23 for any of the following reasons: (A) an act or acts of God,  
24 (B) an act of bioterrorism or terrorism or a bioterrorism or  
25 terrorism threat that was investigated by a law enforcement  
26 agency, or (C) a condition beyond the control of the owners

1 licensee that does not result from any act or omission by the  
2 owners licensee or any of its agents and that poses a hazardous  
3 threat to the health and safety of patrons. If an owners  
4 licensee pays an amount in excess of its liability under this  
5 Section, the Board shall apply the overpayment to future  
6 payments required under this Section.

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

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

12 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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



1           The changes made to this subsection (a-15) by Public Act  
2   94-839 are intended to restate and clarify the intent of Public  
3   Act 94-673 with respect to the amount of the payments required  
4   to be made under this subsection by an owners licensee to the  
5   Board.

6           (b) Until January 1, 1998, 25% of the tax revenue deposited  
7   in the State Gaming Fund under this Section shall be paid,  
8   subject to appropriation by the General Assembly, to the unit  
9   of local government which is designated as the home dock of the  
10  riverboat. Beginning January 1, 1998, from the tax revenue  
11  deposited in the State Gaming Fund under this Section, an  
12  amount equal to 5% of adjusted gross receipts generated by a  
13  riverboat shall be paid monthly, subject to appropriation by  
14  the General Assembly, to the unit of local government that is  
15  designated as the home dock of the riverboat. From the tax  
16  revenue deposited in the State Gaming Fund pursuant to  
17  riverboat gambling operations conducted by a licensed manager  
18  on behalf of the State, an amount equal to 5% of adjusted gross  
19  receipts generated pursuant to those riverboat gambling  
20  operations shall be paid monthly, subject to appropriation by  
21  the General Assembly, to the unit of local government that is  
22  designated as the home dock of the riverboat upon which those  
23  riverboat gambling operations are conducted.

24           (c) Appropriations, as approved by the General Assembly,  
25  may be made from the State Gaming Fund to the Board (i) for the  
26  administration and enforcement of this Act and the Video Gaming

1 Act, (ii) for distribution to the Department of State Police  
2 and to the Department of Revenue for the enforcement of this  
3 Act, and (iii) to the Department of Human Services for the  
4 administration of programs to treat problem gambling.

5 (c-5) Before May 26, 2006 (the effective date of Public Act  
6 94-804) and beginning on the effective date of this amendatory  
7 Act of the 95th General Assembly, unless any organization  
8 licensee under the Illinois Horse Racing Act of 1975 begins to  
9 operate a slot machine or video game of chance under the  
10 Illinois Horse Racing Act of 1975 or this Act, after the  
11 payments required under subsections (b) and (c) have been made,  
12 an amount equal to 15% of the adjusted gross receipts of (1) an  
13 owners licensee that relocates pursuant to Section 11.2, (2) an  
14 owners licensee conducting riverboat gambling operations  
15 pursuant to an owners license that is initially issued after  
16 June 25, 1999, or (3) the first riverboat gambling operations  
17 conducted by a licensed manager on behalf of the State under  
18 Section 7.3, whichever comes first, shall be paid from the  
19 State Gaming Fund into the Horse Racing Equity Fund.

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

24 (c-15) After the payments required under subsections (b),  
25 (c), and (c-5) have been made, an amount equal to 2% of the  
26 adjusted gross receipts of (1) an owners licensee that

1 relocates pursuant to Section 11.2, (2) an owners licensee  
2 conducting riverboat gambling operations pursuant to an owners  
3 license that is initially issued after June 25, 1999, or (3)  
4 the first riverboat gambling operations conducted by a licensed  
5 manager on behalf of the State under Section 7.3, whichever  
6 comes first, shall be paid, subject to appropriation from the  
7 General Assembly, from the State Gaming Fund to each home rule  
8 county with a population of over 3,000,000 inhabitants for the  
9 purpose of enhancing the county's criminal justice system.

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

15 (c-25) On July 1, 2013 and each July 1 thereafter,  
16 \$1,600,000 shall be transferred from the State Gaming Fund to  
17 the Chicago State University Education Improvement Fund.

18 (c-30) On July 1, 2013 or as soon as possible thereafter,  
19 \$92,000,000 shall be transferred from the State Gaming Fund to  
20 the School Infrastructure Fund and \$23,000,000 shall be  
21 transferred from the State Gaming Fund to the Horse Racing  
22 Equity Fund.

23 (c-35) Beginning on July 1, 2013, in addition to any amount  
24 transferred under subsection (c-30) of this Section,  
25 \$5,530,000 shall be transferred monthly from the State Gaming  
26 Fund to the School Infrastructure Fund.

1           (d) From time to time, the Board shall transfer the  
2 remainder of the funds generated by this Act into the Education  
3 Assistance Fund, created by Public Act 86-0018, of the State of  
4 Illinois.

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

10          (f) To the extent practicable, the Board shall administer  
11 and collect the wagering taxes imposed by this Section in a  
12 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
13 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
14 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
15 Penalty and Interest Act.

16          (Source: P.A. 98-18, eff. 6-7-13.)

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