

AN ACT concerning regulation.

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

Section 5. The Illinois Horse Racing Act of 1975 is amended by changing Sections 19.5, 21, and 31 as follows:

(230 ILCS 5/19.5)

Sec. 19.5. Standardbred racetrack in Cook County. Notwithstanding anything in this Act to the contrary, in addition to organization licenses issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, the Board shall issue an organization license limited to standardbred racing to a racetrack located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth. This additional organization license shall not be issued within a 35-mile radius of another organization license issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, unless the person having operating control of such racetrack has given written consent to the organization licensee applicant, which consent must be filed with the Board at or prior to the time application is made. The organization license application shall be submitted to the Board and the Board may grant the organization license at any meeting of the

Board. The Board shall examine the application within 21 days after receipt of the application with respect to its conformity with this Act and the rules adopted by the Board. If the application does not comply with this Act or the rules adopted by the Board, the application may be rejected and an organization license refused to the applicant, or the Board may, within 21 days after receipt of the application, advise the applicant of the deficiencies of the application under the Act or the rules of the Board and require the submittal of an amended application within a reasonable time determined by the Board; upon submittal of the amended application by the applicant, the Board may consider the application consistent with the process described in subsection (e-5) of Section 20. If the application is found to be in compliance with this Act and the rules of the Board, the Board shall then issue an organization license to the applicant. Once the organization license is granted, shall be granted upon application, and the licensee shall have all of the current and future rights of existing Illinois racetracks, including, but not limited to, the ability to obtain an inter-track wagering license, the ability to obtain inter-track wagering location licenses, the ability to obtain an organization gaming license pursuant to the Illinois Gambling Act with 1,200 gaming positions, and the ability to offer Internet wagering on horse racing.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 5/21) (from Ch. 8, par. 37-21)

Sec. 21. (a) Applications for organization licenses must be filed with the Board at a time and place prescribed by the rules and regulations of the Board. The Board shall examine the applications within 21 days after the date allowed for filing with respect to their conformity with this Act and such rules and regulations as may be prescribed by the Board. If any application does not comply with this Act or the rules and regulations prescribed by the Board, such application may be rejected and an organization license refused to the applicant, or the Board may, within 21 days of the receipt of such application, advise the applicant of the deficiencies of the application under the Act or the rules and regulations of the Board, and require the submittal of an amended application within a reasonable time determined by the Board; and upon submittal of the amended application by the applicant, the Board may consider the application consistent with the process described in subsection (e-5) of Section 20 of this Act. If it is found to be in compliance with this Act and the rules and regulations of the Board, the Board may then issue an organization license to such applicant.

(b) The Board may exercise discretion in granting racing dates to qualified applicants different from those requested by the applicants in their applications. However, if all eligible applicants for organization licenses whose tracks are located within 100 miles of each other execute and submit to

the Board a written agreement among such applicants as to the award of racing dates, including where applicable racing programs, for up to 3 consecutive years, then subject to annual review of each applicant's compliance with Board rules and regulations, provisions of this Act and conditions contained in annual dates orders issued by the Board, the Board may grant such dates and programs to such applicants as so agreed by them if the Board determines that the grant of these racing dates is in the best interests of racing. The Board shall treat any such agreement as the agreement signatories' joint and several application for racing dates during the term of the agreement.

(c) Where 2 or more applicants propose to conduct horse race meetings within 35 miles of each other, as certified to the Board under Section 19 (a) (1) of this Act, on conflicting dates, the Board may determine and grant the number of racing days to be awarded to the several applicants in accordance with the provisions of subsection (e-5) of Section 20 of this Act.

(d) (Blank).

(e) Prior to the issuance of an organization license, the applicant shall file with the Board the bond required in subsection (d) of Section 27 ~~a bond~~ payable to the State of Illinois ~~in the sum of \$200,000~~, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon the payment by the

organization licensee of all taxes due under Section 27, other monies due and payable under this Act, all purses due and payable, and that the organization licensee will upon presentation of the winning ticket or tickets distribute all sums due to the patrons of pari-mutuel pools. ~~Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the bond required under this subsection (e) shall be \$500,000.~~

(f) Each organization license shall specify the person to whom it is issued, the dates upon which horse racing is permitted, and the location, place, track, or enclosure where the horse race meeting is to be held.

(g) Any person who owns one or more race tracks within the State may seek, in its own name, a separate organization license for each race track.

(h) All racing conducted under such organization license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such organization license issued by the Board shall contain a recital to that effect.

(i) Each such organization licensee may provide that at least one race per day may be devoted to the racing of quarter horses, appaloosas, arabians, or paints.

(j) In acting on applications for organization licenses, the Board shall give weight to an organization license which

has implemented a good faith affirmative action effort to recruit, train and upgrade minorities in all classifications within the organization license.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 5/31) (from Ch. 8, par. 37-31)

Sec. 31. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality standardbred horses to participate in harness racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled horses. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(b-5) Organization licensees, not including the Illinois State Fair or the DuQuoin State Fair, shall provide stake races and early closer races for Illinois conceived and foaled

horses so that purses distributed for such races shall be no less than 17% of total purses distributed for harness racing in that calendar year in addition to any stakes payments and starting fees contributed by horse owners.

(b-10) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide an owner award to be paid from the purse account equal to 12% of the amount earned by Illinois conceived and foaled horses finishing in the first 3 positions in races that are not restricted to Illinois conceived and foaled horses. The owner awards shall not be paid on races below the \$10,000 claiming class.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality and class of Illinois conceived and foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Standardbred Breeders Fund. Beginning on June 28, 2019 (the effective date of Public Act 101-31), the Illinois Standardbred Breeders Fund shall become a non-appropriated trust fund held separate and apart from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

During the calendar year 1981, and each year thereafter,

except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.

(e) Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Standardbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after June 28, 2019 (the effective date of Public Act 101-31) shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter. The Illinois Standardbred Breeders Fund shall be administered by the Department of Agriculture with the assistance and advice of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Standardbred Breeders Fund Advisory Board is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; the Superintendent of the Illinois State Fair; a member of the Illinois Racing Board, designated by it; a representative of the largest association of Illinois standardbred owners and breeders, recommended by it; a representative of a statewide association representing agricultural fairs in Illinois, recommended by it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of the organization licensees conducting harness racing meetings,

recommended by them; a representative of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it; and a representative of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the largest association of Illinois standardbred owners and breeders, a statewide association of agricultural fairs in Illinois, the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, a member of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, and the organization licensees conducting harness racing meetings have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) Monies expended from the Illinois Standardbred Breeders Fund shall be expended by the Department of

Agriculture, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board for the following purposes only:

1. To provide purses for races limited to Illinois conceived and foaled horses at the State Fair and the DuQuoin State Fair.

2. To provide purses for races limited to Illinois conceived and foaled horses at county fairs.

3. To provide purse supplements for races limited to Illinois conceived and foaled horses conducted by associations conducting harness racing meetings.

4. No less than 75% of all monies in the Illinois Standardbred Breeders Fund shall be expended for purses in 1, 2, and 3 as shown above.

5. In the discretion of the Department of Agriculture to provide awards to harness breeders of Illinois conceived and foaled horses which win races conducted by organization licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 10% of all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for expenses incurred in the administration of such harness breeders awards.

6. To pay for the improvement of racing facilities

located at the State Fair and County fairs.

7. To pay the expenses incurred in the administration of the Illinois Standardbred Breeders Fund.

8. To promote the sport of harness racing, including grants up to a maximum of \$7,500 per fair per year for conducting pari-mutuel wagering during the advertised dates of a county fair.

9. To pay up to \$50,000 annually for the Department of Agriculture to conduct drug testing at county fairs racing standardbred horses.

(h) The Illinois Standardbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act.

(i) A sum equal to 13% of the first prize money of the gross purse won by an Illinois conceived and foaled horse shall be paid 50% by the organization licensee conducting the horse race meeting to the breeder of such winning horse from the organization licensee's account and 50% from the purse account of the licensee. Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment shall be delivered by the organization licensee at the end of each quarter.

(j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:

1. Qualify stallions for Illinois Standardbred Breeders Fund breeding; ~~such stallion shall be owned by a resident of the State of Illinois or by an Illinois corporation all of whose shareholders, directors, officers and incorporators are residents of the State of Illinois.~~ Such stallion shall stand for service at and within the State of Illinois at the time of a foal's conception, and such stallion must not stand for service at any place, ~~nor may semen from such stallion be transported,~~ outside the State of Illinois during that calendar year in which the foal is conceived ~~and that the owner of the stallion was for the 12 months prior, a resident of Illinois.~~ However, on and after from January 1, 2018, until January 1, 2022, semen from an Illinois stallion may be transported outside the State of Illinois. ~~The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association or corporation and any bylaws and stock certificates must contain a restriction that provides that the ownership or transfer of interest by any one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident.~~

2. Provide for the registration of Illinois conceived and foaled horses and no such horse shall compete in the races limited to Illinois conceived and foaled horses unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as may

be necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information. A mare (dam) must be in the State at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. However, the requirement that a mare (dam) must be in the State at least 30 days before foaling or remain in the State at least 30 days at the time of foaling shall not be in effect from January 1, 2018 until January 1, 2022. Beginning with the 1996 breeding season and for foals of 1997 and thereafter, a foal conceived by transported semen may be eligible for Illinois conceived and foaled registration provided all breeding and foaling requirements are met. The stallion must be qualified for Illinois Standardbred Breeders Fund breeding at the time of conception ~~and the mare must be inseminated within the State of Illinois~~. The foal must be dropped in Illinois and properly registered with the Department of Agriculture in accordance with this Act. However, from January 1, 2018 until January 1, 2022, the requirement for a mare to be inseminated within the State of Illinois and the requirement for a foal to be dropped in Illinois are inapplicable.

3. Provide that at least a 5-day racing program shall be conducted at the State Fair each year, unless an alternate racing program is requested by the Illinois

Standardbred Breeders Fund Advisory Board, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a 2-year-old Trot and Pace, and Filly Division of each; (b) a 3-year-old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.

4. Provide for the payment of nominating, sustaining and starting fees for races promoting the sport of harness racing and for the races to be conducted at the State Fair as provided in subsection (j) 3 of this Section provided that the nominating, sustaining and starting payment required from an entrant shall not exceed 2% of the purse of such race. All nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. Nominating, sustaining and starting fees shall be held in trust accounts for the purposes as set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law.

5. Provide for the registration with the Department of Agriculture of Colt Associations or county fairs desiring to sponsor races at county fairs.

6. Provide for the promotion of producing standardbred racehorses by providing a bonus award program for owners of 2-year-old horses that win multiple major stakes races that are limited to Illinois conceived and foaled horses.

(k) The Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including, but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number of races that may occur, and an organization licensee's purse structure. The organization licensee shall notify the Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be conducted by each organization licensee conducting a harness racing meeting for which purse supplements have been negotiated.

(l) All races held at county fairs and the State Fair which receive funds from the Illinois Standardbred Breeders Fund shall be conducted in accordance with the rules of the United States Trotting Association unless otherwise modified by the Department of Agriculture.

(m) At all standardbred race meetings held or conducted under authority of a license granted by the Board, and at all standardbred races held at county fairs which are approved by the Department of Agriculture or at the Illinois or DuQuoin State Fairs, no one shall jog, train, warm up or drive a standardbred horse unless he or she is wearing a protective safety helmet, with the chin strap fastened and in place,

which meets the standards and requirements as set forth in the 1984 Standard for Protective Headgear for Use in Harness Racing and Other Equestrian Sports published by the Snell Memorial Foundation, or any standards and requirements for headgear the Illinois Racing Board may approve. Any other standards and requirements so approved by the Board shall equal or exceed those published by the Snell Memorial Foundation. Any equestrian helmet bearing the Snell label shall be deemed to have met those standards and requirements.

(Source: P.A. 101-31, eff. 6-28-19; 101-157, eff. 7-26-19; 102-558, eff. 8-20-21.)

Section 15. The Illinois Gambling Act is amended by changing Sections 8 and 13 and by adding Section 8.1 as follows:

(230 ILCS 10/8) (from Ch. 120, par. 2408)

Sec. 8. Suppliers licenses.

(a) The Board may issue a suppliers license to such persons, firms or corporations which apply therefor upon the payment of a non-refundable application fee set by the Board, upon a determination by the Board that the applicant is eligible for a suppliers license and upon payment of a \$5,000 annual license fee. At the time of application for a supplier license under this Act, a person that holds a license as a manufacturer, distributor, or supplier under the Video Gaming

Act or a supplier license under the Sports Wagering Act shall be entitled to licensure under this Act as a supplier without additional Board investigation or approval, except by vote of the Board; however, the applicant shall pay all fees required for a suppliers license under this Act.

(a-5) Except as provided by Section 8.1, the initial suppliers license shall be issued for 4 years. Thereafter, the license may be renewed for additional 4-year periods unless sooner canceled or terminated.

(b) The holder of a suppliers license is authorized to sell or lease, and to contract to sell or lease, gambling equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(c) Gambling supplies and equipment may not be distributed unless supplies and equipment conform to standards adopted by rules of the Board.

(d) A person, firm or corporation is ineligible to receive a suppliers license if:

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

(2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person has submitted an application for a

license under this Act which contains false information;

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

(5) the entity is one in which a person defined in (1), (2), (3) or (4), is an officer, director or managerial employee;

(6) the firm or corporation employs a person who participates in the management or operation of gambling authorized under this Act;

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

(e) Any person that supplies any equipment, devices, or supplies to a licensed gambling operation must first obtain a suppliers license. A supplier shall furnish to the Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games authorized under this Act. A supplier shall keep books and records for the furnishing of equipment, devices and supplies to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name or a distinctive logo or other mark or design element identifying the manufacturer or supplier to all its equipment, devices, and supplies, except gaming chips without a value impressed, engraved, or imprinted

on it, for gambling operations. The Board may waive this requirement for any specific product or products if it determines that the requirement is not necessary to protect the integrity of the game. Items purchased from a licensed supplier may continue to be used even though the supplier subsequently changes its name, distinctive logo, or other mark or design element; undergoes a change in ownership; or ceases to be licensed as a supplier for any reason. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A holder of an owners license or an organization gaming license may own its own equipment, devices and supplies. Each holder of an owners license or an organization gaming license under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

(f) Any person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat, in the casino, or at the organization gaming facility or removed from the riverboat, casino, or organization gaming facility to a facility owned by the holder of an owners license, organization gaming license, or suppliers license for repair.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 10/8.1 new)

Sec. 8.1. Harmonization of supplier category licenses.

(a) As used in this Section, "supplier category license" means a suppliers license issued under this Act, a supplier license issued under the Sports Wagering Act, or a manufacturer, distributor, or supplier license issued under the Video Gaming Act.

(b) If a holder of any supplier category license is granted an additional supplier category license, the initial period of the new supplier category license shall expire at the earliest expiration date of any other supplier category license held by the licensee. If a licensee holds multiple supplier category licenses on the effective date of this amendatory Act of the 102nd General Assembly, all supplier category licenses shall expire at the earliest expiration date of any of the supplier category licenses held by the licensee.

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

Sec. 13. Wagering tax; rate; distribution.

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

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from

gambling games authorized under this Act at the following rates:

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

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

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

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

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

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

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

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

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

32.5% of annual adjusted gross receipts in excess of

\$75,000,000 but not exceeding \$100,000,000;

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

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

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

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

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

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

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

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

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

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

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

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

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed and ending upon the imposition of the privilege tax under subsection (a-5) of this Section, a privilege tax is imposed on persons engaged in the business of conducting gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts

received by a licensed owner from gambling games authorized under this Act at the following rates:

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

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

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

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

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

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

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

For the imposition of the privilege tax in this subsection (a-4), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-5)(1) Beginning on July 1, 2020, a privilege tax is imposed on persons engaged in the business of conducting gambling operations, other than the owners licensee under paragraph (1) of subsection (e-5) of Section 7 and licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by

such licensee from the gambling games authorized under this Act. The privilege tax for all gambling games other than table games, including, but not limited to, slot machines, video game of chance gambling, and electronic gambling games shall be at the following rates:

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

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

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

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

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

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

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

The privilege tax for table games shall be at the following rates:

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

20% of annual adjusted gross receipts in excess of \$25,000,000.

For the imposition of the privilege tax in this subsection

(a-5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(2) Beginning on the first day that an owners licensee under paragraph (1) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, a privilege tax is imposed on persons engaged in the business of conducting gambling operations under paragraph (1) of subsection (e-5) of Section 7, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by such licensee from the gambling games authorized under this Act. The privilege tax for all gambling games other than table games, including, but not limited to, slot machines, video game of chance gambling, and electronic gambling games shall be at the following rates:

12% of annual adjusted gross receipts up to and including \$25,000,000 to the State and 10.5% of annual adjusted gross receipts up to and including \$25,000,000 to the City of Chicago;

16% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000 to the State and 14% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000 to the City of Chicago;

20.1% of annual adjusted gross receipts in excess of

\$50,000,000 but not exceeding \$75,000,000 to the State and 17.4% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000 to the City of Chicago;

21.4% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000 to the State and 18.6% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000 to the City of Chicago;

22.7% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000 to the State and 19.8% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000 to the City of Chicago;

24.1% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$225,000,000 to the State and 20.9% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$225,000,000 to the City of Chicago;

26.8% of annual adjusted gross receipts in excess of \$225,000,000 but not exceeding \$1,000,000,000 to the State and 23.2% of annual adjusted gross receipts in excess of \$225,000,000 but not exceeding \$1,000,000,000 to the City of Chicago;

40% of annual adjusted gross receipts in excess of \$1,000,000,000 to the State and 34.7% of annual gross

receipts in excess of \$1,000,000,000 to the City of Chicago.

The privilege tax for table games shall be at the following rates:

8.1% of annual adjusted gross receipts up to and including \$25,000,000 to the State and 6.9% of annual adjusted gross receipts up to and including \$25,000,000 to the City of Chicago;

10.7% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$75,000,000 to the State and 9.3% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$75,000,000 to the City of Chicago;

11.2% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$175,000,000 to the State and 9.8% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$175,000,000 to the City of Chicago;

13.5% of annual adjusted gross receipts in excess of \$175,000,000 but not exceeding \$225,000,000 to the State and 11.5% of annual adjusted gross receipts in excess of \$175,000,000 but not exceeding \$225,000,000 to the City of Chicago;

15.1% of annual adjusted gross receipts in excess of \$225,000,000 but not exceeding \$275,000,000 to the State and 12.9% of annual adjusted gross receipts in excess of

\$225,000,000 but not exceeding \$275,000,000 to the City of Chicago;

16.2% of annual adjusted gross receipts in excess of \$275,000,000 but not exceeding \$375,000,000 to the State and 13.8% of annual adjusted gross receipts in excess of \$275,000,000 but not exceeding \$375,000,000 to the City of Chicago;

18.9% of annual adjusted gross receipts in excess of \$375,000,000 to the State and 16.1% of annual gross receipts in excess of \$375,000,000 to the City of Chicago.

For the imposition of the privilege tax in this subsection (a-5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

Notwithstanding the provisions of this subsection (a-5), for the first 10 years that the privilege tax is imposed under this subsection (a-5), the privilege tax shall be imposed on the modified annual adjusted gross receipts of a riverboat or casino conducting gambling operations in the City of East St. Louis, unless:

(1) the riverboat or casino fails to employ at least 450 people, except no minimum employment shall be required during 2020 and 2021 or during periods that the riverboat or casino is closed on orders of State officials for public health emergencies or other emergencies not caused by the riverboat or casino;

(2) the riverboat or casino fails to maintain operations in a manner consistent with this Act or is not a viable riverboat or casino subject to the approval of the Board; or

(3) the owners licensee is not an entity in which employees participate in an employee stock ownership plan or in which the owners licensee sponsors a 401(k) retirement plan and makes a matching employer contribution equal to at least one-quarter of the first 12% or one-half of the first 6% of each participating employee's contribution, not to exceed any limitations under federal laws and regulations.

As used in this subsection (a-5), "modified annual adjusted gross receipts" means:

(A) for calendar year 2020, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2018;

(B) for calendar year 2021, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015,

2016, 2017, and 2018 and the annual adjusted gross receipts for 2019; and

(C) for calendar years 2022 through 2029, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 3 years preceding the current year and the annual adjusted gross receipts for the immediately preceding year.

(a-6) From June 28, 2019 (the effective date of Public Act 101-31) until June 30, 2023, an owners licensee that conducted gambling operations prior to January 1, 2011 shall receive a dollar-for-dollar credit against the tax imposed under this Section for any renovation or construction costs paid by the owners licensee, but in no event shall the credit exceed \$2,000,000.

Additionally, from June 28, 2019 (the effective date of Public Act 101-31) until December 31, 2022, an owners licensee that (i) is located within 15 miles of the Missouri border, and (ii) has at least 3 riverboats, casinos, or their equivalent within a 45-mile radius, may be authorized to relocate to a new location with the approval of both the unit of local government designated as the home dock and the Board, so long as the new location is within the same unit of local government and no more than 3 miles away from its original location. Such

owners licensee shall receive a credit against the tax imposed under this Section equal to 8% of the total project costs, as approved by the Board, for any renovation or construction costs paid by the owners licensee for the construction of the new facility, provided that the new facility is operational by July 1, 2022. In determining whether or not to approve a relocation, the Board must consider the extent to which the relocation will diminish the gaming revenues received by other Illinois gaming facilities.

(a-7) Beginning in the initial adjustment year and through the final adjustment year, if the total obligation imposed pursuant to either subsection (a-5) or (a-6) will result in an owners licensee receiving less after-tax adjusted gross receipts than it received in calendar year 2018, then the total amount of privilege taxes that the owners licensee is required to pay for that calendar year shall be reduced to the extent necessary so that the after-tax adjusted gross receipts in that calendar year equals the after-tax adjusted gross receipts in calendar year 2018, but the privilege tax reduction shall not exceed the annual adjustment cap. If pursuant to this subsection (a-7), the total obligation imposed pursuant to either subsection (a-5) or (a-6) shall be reduced, then the owners licensee shall not receive a refund from the State at the end of the subject calendar year but instead shall be able to apply that amount as a credit against any payments it owes to the State in the following calendar

year to satisfy its total obligation under either subsection (a-5) or (a-6). The credit for the final adjustment year shall occur in the calendar year following the final adjustment year.

If an owners licensee that conducted gambling operations prior to January 1, 2019 expands its riverboat or casino, including, but not limited to, with respect to its gaming floor, additional non-gaming amenities such as restaurants, bars, and hotels and other additional facilities, and incurs construction and other costs related to such expansion from June 28, 2019 (the effective date of Public Act 101-31) until June 28, 2024 (the 5th anniversary of the effective date of Public Act 101-31), then for each \$15,000,000 spent for any such construction or other costs related to expansion paid by the owners licensee, the final adjustment year shall be extended by one year and the annual adjustment cap shall increase by 0.2% of adjusted gross receipts during each calendar year until and including the final adjustment year. No further modifications to the final adjustment year or annual adjustment cap shall be made after \$75,000,000 is incurred in construction or other costs related to expansion so that the final adjustment year shall not extend beyond the 9th calendar year after the initial adjustment year, not including the initial adjustment year, and the annual adjustment cap shall not exceed 4% of adjusted gross receipts in a particular calendar year. Construction and other costs

related to expansion shall include all project related costs, including, but not limited to, all hard and soft costs, financing costs, on or off-site ground, road or utility work, cost of gaming equipment and all other personal property, initial fees assessed for each incremental gaming position, and the cost of incremental land acquired for such expansion. Soft costs shall include, but not be limited to, legal fees, architect, engineering and design costs, other consultant costs, insurance cost, permitting costs, and pre-opening costs related to the expansion, including, but not limited to, any of the following: marketing, real estate taxes, personnel, training, travel and out-of-pocket expenses, supply, inventory, and other costs, and any other project related soft costs.

To be eligible for the tax credits in subsection (a-6), all construction contracts shall include a requirement that the contractor enter into a project labor agreement with the building and construction trades council with geographic jurisdiction of the location of the proposed gaming facility.

Notwithstanding any other provision of this subsection (a-7), this subsection (a-7) does not apply to an owners licensee unless such owners licensee spends at least \$15,000,000 on construction and other costs related to its expansion, excluding the initial fees assessed for each incremental gaming position.

This subsection (a-7) does not apply to owners licensees

authorized pursuant to subsection (e-5) of Section 7 of this Act.

For purposes of this subsection (a-7):

"Building and construction trades council" means any organization representing multiple construction entities that are monitoring or attentive to compliance with public or workers' safety laws, wage and hour requirements, or other statutory requirements or that are making or maintaining collective bargaining agreements.

"Initial adjustment year" means the year commencing on January 1 of the calendar year immediately following the earlier of the following:

(1) the commencement of gambling operations, either in a temporary or permanent facility, with respect to the owners license authorized under paragraph (1) of subsection (e-5) of Section 7 of this Act; or

(2) June 28, 2021 (24 months after the effective date of Public Act 101-31);

provided the initial adjustment year shall not commence earlier than June 28, 2020 (12 months after the effective date of Public Act 101-31).

"Final adjustment year" means the 2nd calendar year after the initial adjustment year, not including the initial adjustment year, and as may be extended further as described in this subsection (a-7).

"Annual adjustment cap" means 3% of adjusted gross

receipts in a particular calendar year, and as may be increased further as otherwise described in this subsection (a-7).

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

(a-9) Beginning on January 1, 2020, the calculation of gross receipts or adjusted gross receipts, for the purposes of this Section, for a riverboat, a casino, or an organization gaming facility shall not include the dollar amount of non-cashable vouchers, coupons, and electronic promotions redeemed by wagerers upon the riverboat, in the casino, or in the organization gaming facility up to and including an amount not to exceed 20% of a riverboat's, a casino's, or an organization gaming facility's adjusted gross receipts.

The Illinois Gaming Board shall submit to the General Assembly a comprehensive report no later than March 31, 2023 detailing, at a minimum, the effect of removing non-cashable vouchers, coupons, and electronic promotions from this calculation on net gaming revenues to the State in calendar years 2020 through 2022, the increase or reduction in wagerers as a result of removing non-cashable vouchers, coupons, and electronic promotions from this calculation, the effect of the tax rates in subsection (a-5) on net gaming revenues to this State, and proposed modifications to the calculation.

(a-10) The taxes imposed by this Section shall be paid by

the licensed owner or the organization gaming licensee to the Board not later than 5:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after August 23, 2005 (the effective date of Public Act 94-673) ~~this amendatory Act of the 94th General Assembly~~ that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the

authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

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

"Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

(b) From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat or a casino, other than a riverboat or casino designated in paragraph (1), (3), or (4) of subsection (e-5) of Section 7, shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government in which the casino is located or that is designated as the home dock of the riverboat. Notwithstanding anything to the contrary, beginning on the first day that an owners licensee

under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 2 years thereafter, a unit of local government designated as the home dock of a riverboat whose license was issued before January 1, 2019, other than a riverboat conducting gambling operations in the City of East St. Louis, shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018. Notwithstanding anything to the contrary and because the City of East St. Louis is a financially distressed city, beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 10 years thereafter, a unit of local government designated as the home dock of a riverboat conducting gambling operations in the City of East St. Louis shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018.

From the tax revenue deposited in the State Gaming Fund pursuant to riverboat or casino gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat or casino gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit

of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted or in which the casino is located.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (3) of subsection (e-5) of Section 7 shall be divided and remitted monthly, subject to appropriation, as follows: 70% to Waukegan, 10% to Park City, 15% to North Chicago, and 5% to Lake County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 70% to the City of Rockford, 5% to the City of Loves Park, 5% to the Village of Machesney, and 20% to Winnebago County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (5) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the riverboat or casino is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan

entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Crestwood, Village of Crete, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, Village of Monee, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, Village of University Park, and Village of Worth; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

Units of local government may refund any portion of the payment that they receive pursuant to this subsection (b) to the riverboat or casino.

(b-4) Beginning on the first day the licensee under paragraph (5) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a

permanent facility, and ending on July 31, 2042, from the tax revenue deposited in the State Gaming Fund under this Section, \$5,000,000 shall be paid annually, subject to appropriation, to the host municipality of that owners licensee of a license issued or re-issued pursuant to Section 7.1 of this Act before January 1, 2012. Payments received by the host municipality pursuant to this subsection (b-4) may not be shared with any other unit of local government.

(b-5) Beginning on June 28, 2019 (the effective date of Public Act 101-31), from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by each organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to a municipality other than the Village of Stickney in which each organization gaming facility is located or, if the organization gaming facility is not located within a municipality, to the county in which the organization gaming facility is located, except as otherwise provided in this Section. From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by an organization gaming facility located in the Village of Stickney shall be paid monthly, subject to appropriation by the General Assembly, as follows: 25% to the Village of Stickney, 5% to the City of Berwyn, 50% to the Town of Cicero, and 20% to the Stickney Public Health

District.

From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by an organization gaming facility located in the City of Collinsville shall be paid monthly, subject to appropriation by the General Assembly, as follows: 30% to the City of Alton, 30% to the City of East St. Louis, and 40% to the City of Collinsville.

Municipalities and counties may refund any portion of the payment that they receive pursuant to this subsection (b-5) to the organization gaming facility.

(b-6) Beginning on June 28, 2019 (the effective date of Public Act 101-31), from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 2% of adjusted gross receipts generated by an organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to the county in which the organization gaming facility is located for the purposes of its criminal justice system or health care system.

Counties may refund any portion of the payment that they receive pursuant to this subsection (b-6) to the organization gaming facility.

(b-7) From the tax revenue from the organization gaming licensee located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or

Worth, an amount equal to 5% of the adjusted gross receipts generated by that organization gaming licensee shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the organization gaming licensee is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Crestwood, Village of Crete, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, Village of Monee, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, Village of University Park, and Village of Worth; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

(b-8) In lieu of the payments under subsection (b) of this Section, from the tax revenue deposited in the State Gaming Fund pursuant to riverboat or casino gambling operations conducted by an owners licensee under paragraph (1) of subsection (e-5) of Section 7, an amount equal to the tax revenue generated from the privilege tax imposed by paragraph (2) of subsection (a-5) that is to be paid to the City of Chicago shall be paid monthly, subject to appropriation by the General Assembly, as follows: (1) an amount equal to 0.5% of the annual adjusted gross receipts generated by the owners licensee under paragraph (1) of subsection (e-5) of Section 7 to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system; and (2) the balance to the City of Chicago and shall be expended or obligated by the City of Chicago for pension payments in accordance with Public Act 99-506.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Illinois State Police and to the Department of Revenue for the enforcement of this Act and the Video Gaming Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling, including problem gambling from sports wagering. The Board's annual appropriations request must separately state its funding needs for the regulation of

gaming authorized under Section 7.7, riverboat gaming, casino gaming, video gaming, and sports wagering.

(c-2) An amount equal to 2% of the adjusted gross receipts generated by an organization gaming facility located within a home rule county with a population of over 3,000,000 inhabitants shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the organization gaming licensee is located for the purpose of enhancing the county's criminal justice system.

(c-3) Appropriations, as approved by the General Assembly, may be made from the tax revenue deposited into the State Gaming Fund from organization gaming licensees pursuant to this Section for the administration and enforcement of this Act.

(c-4) After payments required under subsections (b), (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from the tax revenue from organization gaming licensees deposited into the State Gaming Fund under this Section, all remaining amounts from organization gaming licensees shall be transferred into the Capital Projects Fund.

(c-5) (Blank).

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

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

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

(c-21) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have been made, an amount equal to 0.5% of the adjusted gross receipts generated by the owners licensee under paragraph (1) of subsection (e-5) of Section 7 shall be paid monthly, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's

criminal justice system.

(c-22) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and (c-21) have been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (5) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-25) From July 1, 2013 and each July 1 thereafter through July 1, 2019, \$1,600,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

On July 1, 2020 and each July 1 thereafter, \$3,000,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

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

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

(d) From time to time, through June 30, 2021, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund.

(d-5) Beginning on July 1, 2021, on the last day of each month, or as soon thereafter as possible, after all the required expenditures, distributions, and transfers have been made from the State Gaming Fund for the month pursuant to subsections (b) through (c-35), at the direction of the Board, the Comptroller shall direct and the Treasurer shall transfer \$22,500,000, along with any deficiencies in such amounts from prior months in the same fiscal year, from the State Gaming Fund to the Education Assistance Fund; then, at the direction of the Board, the Comptroller shall direct and the Treasurer shall transfer the remainder of the funds generated by this Act, if any, from the State Gaming Fund to the Capital Projects Fund.

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

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

Uniform Penalty and Interest Act.

(Source: P.A. 101-31, Article 25, Section 25-910, eff. 6-28-19; 101-31, Article 35, Section 35-55, eff. 6-28-19; 101-648, eff. 6-30-20; 102-16, eff. 6-17-21; 102-538, eff. 8-20-21; revised 10-14-21.)

Section 20. The Raffles and Poker Runs Act is amended by changing Sections 1 and 2 as follows:

(230 ILCS 15/1) (from Ch. 85, par. 2301)

Sec. 1. Definitions. For the purposes of this Act the terms defined in this Section have the meanings given them.

"Fire protection agency" means: (1) an agency of this State, unit of local government, or intergovernmental mutual aid entity that is vested by law or intergovernmental agreement with the duty and authority to provide public fire suppression, rescue, or emergency medical services; or (2) an organization that provides support or assistance to an agency of this State, unit of local government, or intergovernmental mutual aid entity that is vested by law or intergovernmental agreement with the duty and authority to provide public fire suppression, rescue, or emergency medical services.

"Key location" means:

(1) For a poker run, the location where the poker run concludes and the prizes are awarded.

(2) For a raffle, the location where the winning

chances in the raffle are determined.

"Law enforcement agency" means an agency of this State or a unit of local government in this State that is vested by law or ordinance with the duty to maintain public order and to enforce criminal laws or ordinances.

"Net proceeds" means the gross receipts from the conduct of raffles, less reasonable sums expended for prizes, local license fees and other operating expenses incurred as a result of operating a raffle or poker run.

"Poker run" means a prize-awarding event organized by an organization licensed under this Act in which participants travel to multiple predetermined locations, including a key location, to play a randomized game based on an element of chance. "Poker run" includes dice runs, marble runs, or other events where the objective is to build the best hand or highest score by obtaining an item or playing a randomized game at each location.

"Raffle" means a form of lottery, as defined in subsection (b) of Section 28-2 of the Criminal Code of 2012, conducted by an organization licensed under this Act, in which:

- (1) the player pays or agrees to pay something of value for a chance, represented and differentiated by a number or by a combination of numbers or by some other medium, one or more of which chances is to be designated the winning chance; and

- (2) the winning chance is to be determined through a

drawing or by some other method based on an element of chance by an act or set of acts on the part of persons conducting or connected with the lottery, except that the winning chance shall not be determined by the outcome of a publicly exhibited sporting contest.

"Raffle" does not include any game designed to simulate: (1) gambling games as defined in the Illinois Gambling Act, (2) any casino game approved for play by the Illinois Gaming Board, (3) any games provided by a video gaming terminal, as defined in the Video Gaming Act, or (4) a savings promotion raffle authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act, or Section 4 of the Home Owners' Loan Act.

(Source: P.A. 101-109, eff. 7-19-19; 102-558, eff. 8-20-21.)

(230 ILCS 15/2) (from Ch. 85, par. 2302)

Sec. 2. Licensing.

(a) The governing body of any county or municipality within this State may establish a system for the licensing of organizations to operate raffles. The governing bodies of a county and one or more municipalities may, pursuant to a written contract, jointly establish a system for the licensing of organizations to operate raffles within any area of contiguous territory not contained within the corporate limits of a municipality which is not a party to such contract. The

governing bodies of two or more adjacent counties or two or more adjacent municipalities located within a county may, pursuant to a written contract, jointly establish a system for the licensing of organizations to operate raffles within the corporate limits of such counties or municipalities. The licensing authority may establish special categories of licenses and promulgate rules relating to the various categories. The licensing system shall provide for limitations upon (1) the aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle, if any, (2) the maximum retail value of each prize awarded by a licensee in a single raffle, if any, (3) the maximum price which may be charged for each raffle chance issued or sold, if any, and (4) the maximum number of days during which chances may be issued or sold, if any. The licensing system may include a fee for each license in an amount to be determined by the local governing body. Licenses issued pursuant to this Act shall be valid for one raffle or for a specified number of raffles to be conducted during a specified period not to exceed one year and may be suspended or revoked for any violation of this Act. A local governing body shall act on a license application within 30 days from the date of application. A county or municipality may adopt rules or ordinances for the operation of raffles that are consistent with this Act. Raffles shall be licensed by the governing body of the municipality with jurisdiction over the key location

or, if no municipality has jurisdiction over the key location, then by the governing body of the county with jurisdiction over the key location. A license shall authorize the holder of such license to sell raffle chances throughout the State, including beyond the borders of the licensing municipality or county.

(a-5) The governing body of Cook County may and any other county within this State shall establish a system for the licensing of organizations to operate poker runs. The governing bodies of 2 or more adjacent counties may, pursuant to a written contract, jointly establish a system for the licensing of organizations to operate poker runs within the corporate limits of such counties. The licensing authority may establish special categories of licenses and adopt rules relating to the various categories. The licensing system may include a fee not to exceed \$25 for each license. Licenses issued pursuant to this Act shall be valid for one poker run or for a specified number of poker runs to be conducted during a specified period not to exceed one year and may be suspended or revoked for any violation of this Act. A local governing body shall act on a license application within 30 days after the date of application.

(b) Raffle licenses shall be issued only: (1) to bona fide religious, charitable, labor, business, fraternal, educational, veterans', or other bona fide not-for-profit organizations that operate without profit to their members and

which have been in existence continuously for a period of 5 years immediately before making application for a raffle license and which have during that entire 5-year period been engaged in carrying out their objects, (2) ~~or~~ to a non-profit fundraising organization that the licensing authority determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as the result of an illness, disability, accident, or disaster, (3) ~~or~~ to any law enforcement agencies and associations that represent law enforcement officials, or (4) to any fire protection agencies and associations that represent fire protection officials. Poker run licenses shall be issued only to bona fide religious, charitable, labor, business, fraternal, educational, veterans', or other bona fide not-for-profit organizations that operate without profit to their members and which have been in existence continuously for a period of 5 years immediately before making application for a poker run license and which have during that entire 5-year period been engaged in carrying out their objects. Licenses for poker runs shall be issued for the following purposes: (i) providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as the result of an illness, disability, accident, or disaster or (ii) to maintain the financial stability of the organization. A licensing authority may waive the 5-year requirement under

this subsection (b) for a bona fide religious, charitable, labor, business, fraternal, educational, or veterans' organization that applies for a license to conduct a raffle or a poker run if the organization is a local organization that is affiliated with and chartered by a national or State organization that meets the 5-year requirement.

For purposes of this Act, the following definitions apply. Non-profit: An organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to any one as a result of the operation. Charitable: An organization or institution organized and operated to benefit an indefinite number of the public. The service rendered to those eligible for benefits must also confer some benefit on the public. Educational: An organization or institution organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which compare favorably in their scope and intensity with the course of study presented in tax-supported schools. Religious: Any church, congregation, society, or organization founded for the purpose of religious worship. Fraternal: An organization of persons having a common interest, the primary interest of which is to both promote the welfare of its members and to provide assistance to the general public in such a way as to lessen the burdens of government by caring for those that otherwise would be cared for by the government. Veterans: An organization or

association comprised of members of which substantially all are individuals who are veterans or spouses, widows, or widowers of veterans, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit. Labor: An organization composed of workers organized with the objective of betterment of the conditions of those engaged in such pursuit and the development of a higher degree of efficiency in their respective occupations. Business: A voluntary organization composed of individuals and businesses who have joined together to advance the commercial, financial, industrial and civic interests of a community.

(Source: P.A. 101-109, eff. 7-19-19; 101-360, eff. 1-1-20; 102-558, eff. 8-20-21.)

Section 30. The Video Gaming Act is amended by changing Sections 5, 25, 27, 30, 45, 50, and 65 and by adding Section 90 as follows:

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this

Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Electronic card" means a card purchased from a licensed establishment, licensed fraternal establishment, licensed veterans establishment, licensed truck stop establishment, or licensed large truck stop establishment for use in that establishment as a substitute for cash in the conduct of gaming on a video gaming terminal.

"Electronic voucher" means a voucher printed by an electronic video game machine that is redeemable in the licensed establishment for which it was issued.

"In-location bonus jackpot" means one or more video gaming terminals at a single licensed establishment that allows for wagers placed on such video gaming terminals to contribute to a cumulative maximum jackpot of up to \$10,000.

"Terminal operator" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, corporation, or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which

the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis. "Licensed establishment" includes any such establishment that has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under

the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Illinois Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month.

"Licensed large truck stop establishment" means a facility located within 3 road miles from a freeway interchange, as measured in accordance with the Department of Transportation's rules regarding the criteria for the installation of business signs: (i) that is at least a 3-acre facility with a

convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 50,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 50,000 gallons per month.

"Sales agent and broker" means an individual, partnership, corporation, limited liability company, or other business entity engaged in the solicitation or receipt of business from current or potential licensed establishments, licensed fraternal establishments, licensed veterans establishments, licensed truck stop establishments, or licensed large truck stop establishments either on an employment or contractual basis.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's

license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary.

A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(d-10) Solicitation of use agreements. A person may not solicit the signing of a use agreement on behalf of a terminal operator or enter into a use agreement as agent of a terminal operator unless that person either has a valid sales agent and broker license issued under this Act or owns, manages, or significantly influences or controls the terminal operator.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed

large truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 6 video gaming terminals on its premises at any time. A licensed large truck stop establishment may operate up to 10 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the

profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes 5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization,

association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if (A) a facility operated by an organization licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment obtains its original liquor license. For the purpose of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or

recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(h-5) Restrictions on licenses in malls. The Board shall not grant an application to become a licensed video gaming location if the Board determines that granting the application would more likely than not cause a terminal operator, individually or in combination with other terminal operators, licensed video gaming location, or other person or entity, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation.

(1) In making determinations under this subsection (h-5), factors to be considered by the Board shall include, but not be limited to, the following:

(A) the physical aspects of the location;

(B) the ownership, control, or management of the location;

(C) any arrangements, understandings, or agreements, written or otherwise, among or involving any persons or entities that involve the conducting of any video gaming business or the sharing of costs or revenues; and

(D) the manner in which any terminal operator or other related entity markets, advertises, or otherwise describes any location or locations to any other person or entity or to the public.

(2) The Board shall presume, subject to rebuttal, that the granting of an application to become a licensed video gaming location within a mall will cause a terminal operator, individually or in combination with other persons or entities, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation if the Board determines that granting the license would create a local concentration of licensed video gaming locations.

For the purposes of this subsection (h-5):

"Mall" means a building, or adjoining or connected buildings, containing 4 or more separate locations.

"Video gaming operation" means the conducting of video gaming and all related activities.

"Location" means a space within a mall containing a

separate business, a place for a separate business, or a place subject to a separate leasing arrangement by the mall owner.

"Licensed video gaming location" means a licensed establishment, licensed fraternal establishment, licensed veterans establishment, licensed truck stop establishment, or licensed large truck stop.

"Local concentration of licensed video gaming locations" means that the combined number of licensed video gaming locations within a mall exceed half of the separate locations within the mall.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

(1) substantially impede or suppress competition among terminal operators;

(2) adversely impact the economic stability of the video gaming industry in Illinois; or

(3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 40/27)

Sec. 27. Prohibition of video gaming by political subdivision.

(a) A municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may, for the unincorporated area of the county, pass an ordinance prohibiting video gaming within the unincorporated area of the county.

(b) On and after July 1, 2022, a qualified fraternal organization that derives its charter from a national fraternal organization and a qualified veterans organization

that derives its charter from a national veterans organization shall be eligible to apply to the Board for a license allowing video gaming as a licensed fraternal establishment or a licensed veterans establishment if the proposed fraternal establishment or veterans establishment is located in:

(1) a municipality having a population of not more than 1,000,000 that has enacted an ordinance prohibiting video gaming within the corporate limits; or

(2) a county having a population of not more than 1,000,000 that has enacted an ordinance prohibiting video gaming within the unincorporated area of the county.

If the license is granted by the Board, then the licensed fraternal establishment or licensed veterans establishment may operate video gaming terminals pursuant to this Act.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or

market to persons having a valid terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment. A sales agent and broker may not be licensed as a manufacturer, distributor, supplier, licensed establishment, licensed fraternal establishment, licensed veterans establishment, licensed truck stop

establishment, or licensed large truck stop establishment.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Illinois Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by the Board with the assistance of the Illinois State Police or other law enforcement. To the extent that the corporate structure of the applicant allows, the background investigation shall include any or all of the following as the Board deems appropriate or as provided by rule for each category of licensure: (i) each beneficiary of a trust, (ii) each partner of a partnership, (iii) each member of a limited liability company, (iv) each director and officer of a publicly or non-publicly held corporation, (v) each stockholder of a non-publicly held corporation, (vi) each stockholder of 5% or more of a publicly held corporation, or (vii) each stockholder of 5% or more in a parent or subsidiary corporation.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, corporation, or limited liability company

having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

(1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the

burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

- (1) Manufacturer \$5,000
- (2) Distributor..... \$5,000
- (3) Terminal operator \$5,000
- (4) Supplier \$2,500
- (5) Technician \$100
- (6) Terminal Handler \$100
- (7) Licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment \$100
- (8) Sales agent and broker \$100

(g) The Board shall establish an annual fee for each license not to exceed the following:

- (1) Manufacturer \$10,000
- (2) Distributor..... \$10,000
- (3) Terminal operator \$5,000
- (4) Supplier \$2,000
- (5) Technician \$100

- (6) Licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment \$100
- (7) Video gaming terminal \$100
- (8) Terminal Handler \$100
- (9) Sales agent and broker \$100

(h) A terminal operator and a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall equally split the fees specified in item (7) of subsection (g).

(Source: P.A. 101-31, eff. 6-28-19; 102-538, eff. 8-20-21.)

(230 ILCS 40/50)

Sec. 50. Distribution of license fees.

(a) All fees collected under Section 45 shall be deposited into the State Gaming Fund.

(b) Fees collected under Section 45 shall be used as follows:

(1) Twenty-five percent shall be paid, subject to appropriation by the General Assembly, to the Department of Human Services for administration of programs for the treatment of compulsive gambling.

(2) Seventy-five percent shall be used for the administration of this Act.

(c) All initial terminal handler, technician, sales agent and broker, licensed establishment, licensed truck stop establishment, licensed large truck establishment, licensed fraternal establishment, and licensed fraternal establishment licenses issued by the Board under this Act shall be issued for 2 years and are renewable for additional 2-year periods annually unless sooner cancelled or terminated. Except as provided by Section 8.1 of the Illinois Gambling Act, all initial manufacturer, distributor, supplier, and terminal operator licenses issued by the Board under this Act shall be issued for 4 years and are renewable for additional 4-year periods unless sooner cancelled or terminated. No license issued under this Act is transferable or assignable.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/65)

Sec. 65. Fees. ~~A Except as provided in this Section, a non-home rule unit of government may not impose any fee for the operation of a video gaming terminal in excess of \$250 \$25 per year. The City of Rockford may not impose any fee for the operation of a video gaming terminal in excess of \$250 per year.~~

The cost of any fee imposed under this Act by any home rule unit of government or non-home rule unit of government shall be shared equally between the terminal operator and the applicable licensed establishment, licensed veterans

establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment under this Act.

(Source: P.A. 101-337, eff. 1-1-20.)

(230 ILCS 40/90 new)

Sec. 90. Regulation by State.

(a) The licensure, registration, and regulation of manufacturers, distributors, terminal operators, licensed technicians, licensed terminal handlers, licensed establishments, licensed veterans establishments, licensed truck stop establishments, licensed large truck stop establishments, and licensed fraternal establishments under this Act, and the imposition of fees and other charges under this Act in connection with such licensure, registration, and regulation, are powers and functions of the State. No non-home rule unit may license, register, or otherwise regulate, or impose any type of fee or any other charge upon, a manufacturer, distributor, terminal operator, licensed technician, licensed terminal handler, licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment.

(b) The licensure, registration, and regulation of video gaming terminals under this Act are powers and functions of the State. No non-home rule unit may license, register, or

otherwise regulate video gaming terminals.

(c) No home rule municipality or non-home rule unit may impose any type of tax upon a: (i) manufacturer, distributor, terminal operator, licensed technician, licensed terminal handler, licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment or their respective authorized activities under this Act; (ii) video gaming terminal; (iii) user or player of any video gaming terminals; or (iv) other use, play, or operation of video gaming terminals authorized under this Act by any person or entity. This subsection (c) is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(d) Any home rule municipality that has adopted an ordinance imposing an amusement tax on persons who participate in the playing of video gaming terminals before November 1, 2021 may continue to impose such amusement tax pursuant to such ordinance but shall not increase, expand, or extend the tax or tax rate on such persons participating in playing video gaming terminals in excess of that tax or rate set forth in such ordinance and shall not otherwise impose any other tax upon any entity or person identified in subsection (c). This subsection (d) is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

Section 35. The Sports Wagering Act is amended by changing Sections 25-10, 25-15, 25-25, 25-30, 25-35, 25-40, and 25-50 as follows:

(230 ILCS 45/25-10)

Sec. 25-10. Definitions. As used in this Act:

"Adjusted gross sports wagering receipts" means a master sports wagering licensee's gross sports wagering receipts, less winnings paid to wagerers in such games.

"Athlete" means any current or former professional athlete or collegiate athlete.

"Board" means the Illinois Gaming Board.

"Covered persons" includes athletes; umpires, referees, and officials; personnel associated with clubs, teams, leagues, and athletic associations; medical professionals (including athletic trainers) who provide services to athletes and players; and the family members and associates of these persons where required to serve the purposes of this Act.

"Department" means the Department of the Lottery.

"Gaming facility" means a facility at which gambling operations are conducted under the Illinois Gambling Act, pari-mutuel wagering is conducted under the Illinois Horse Racing Act of 1975, or sports wagering is conducted under this Act.

"Official league data" means statistics, results,

outcomes, and other data related to a sports event obtained pursuant to an agreement with the relevant sports governing body, or an entity expressly authorized by the sports governing body to provide such information to licensees, that authorizes the use of such data for determining the outcome of tier 2 sports wagers on such sports events.

"Organization licensee" has the meaning given to that term in the Illinois Horse Racing Act of 1975.

"Owners licensee" means the holder of an owners license under the Illinois Gambling Act.

"Person" means an individual, partnership, committee, association, corporation, or any other organization or group of persons.

"Personal biometric data" means an athlete's information derived from DNA, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density, and sleep patterns.

"Prohibited conduct" includes any statement, action, and other communication intended to influence, manipulate, or control a betting outcome of a sporting contest or of any individual occurrence or performance in a sporting contest in exchange for financial gain or to avoid financial or physical harm. "Prohibited conduct" includes statements, actions, and communications made to a covered person by a third party, such as a family member or through social media. "Prohibited

conduct" does not include statements, actions, or communications made or sanctioned by a team or sports governing body.

"Qualified applicant" means an applicant for a license under this Act whose application meets the mandatory minimum qualification criteria as required by the Board.

"Sporting contest" means a sports event or game on which the State allows sports wagering to occur under this Act.

"Sports event" means a professional sport or athletic event, a collegiate sport or athletic event, a motor race event, or any other event or competition of relative skill authorized by the Board under this Act.

"Sports facility" means a facility that hosts sports events and holds a seating capacity greater than 17,000 persons, except in a municipality with a population of more than 1,000,000, a seating capacity greater than 10,000 persons.

"Sports governing body" means the organization that prescribes final rules and enforces codes of conduct with respect to a sports event and participants therein.

"Sports wagering" means accepting wagers on sports events or portions of sports events, or on the individual performance statistics of athletes in a sports event or combination of sports events, by any system or method of wagering, including, but not limited to, in person or over the Internet through websites and on mobile devices. "Sports wagering" includes,

but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

"Sports wagering account" means a financial record established by a master sports wagering licensee for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other authorized purchases and to which the master sports wagering licensee may credit winnings or other amounts due to that patron or authorized by that patron.

"Tier 1 sports wager" means a sports wager that is determined solely by the final score or final outcome of the sports event and is placed before the sports event has begun.

"Tier 2 sports wager" means a sports wager that is not a tier 1 sports wager.

"Wager" means a sum of money or thing of value risked on an uncertain occurrence.

"Winning bidder" means a qualified applicant for a master sports wagering license chosen through the competitive selection process under Section 25-45.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 45/25-15)

Sec. 25-15. Board duties and powers.

(a) Except for sports wagering conducted under Section 25-70, the Board shall have the authority to regulate the

conduct of sports wagering under this Act.

(b) The Board may adopt any rules the Board considers necessary for the successful implementation, administration, and enforcement of this Act, except for Section 25-70. Rules proposed by the Board may be adopted as emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act.

(c) The Board shall levy and collect all fees, surcharges, civil penalties, and monthly taxes on adjusted gross sports wagering receipts imposed by this Act and deposit all moneys into the Sports Wagering Fund, except as otherwise provided under this Act.

(d) The Board may exercise any other powers necessary to enforce the provisions of this Act that it regulates and the rules of the Board.

(e) The Board shall adopt rules for a license to be employed by a master sports wagering licensee when the employee works in a designated gaming area that has sports wagering or performs duties in furtherance of or associated with the operation of sports wagering by the master sports wagering licensee (occupational license), which shall require an annual license fee of \$250. However, occupational licenses issued under the Illinois Gambling Act for employees of an owners license or organization gaming licensee, once granted, are considered equivalent licenses to work in sports wagering positions located at the same gaming facility. License fees

shall be deposited into the State Gaming Fund and used for the administration of this Act.

(f) The Board may require that licensees share, in real time and at the sports wagering account level, information regarding a wagerer, amount and type of wager, the time the wager was placed, the location of the wager, including the Internet protocol address, if applicable, the outcome of the wager, and records of abnormal wagering activity. Information shared under this subsection (f) must be submitted in the form and manner as required by rule. If a sports governing body has notified the Board that real-time information sharing for wagers placed on its sports events is necessary and desirable, licensees may share the same information in the form and manner required by the Board by rule with the sports governing body or its designee with respect to wagers on its sports events subject to applicable federal, State, or local laws or regulations, including, without limitation, privacy laws and regulations. Such information may be provided in anonymized form and may be used by a sports governing body solely for integrity purposes. For purposes of this subsection (f), "real-time" means a commercially reasonable periodic interval.

(g) A master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education may submit to the Board in writing a request to prohibit a type or form of wagering if the master sports wagering licensee, professional sports team,

league, or association, sports governing body, or institution of higher education believes that such wagering by type or form is contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports betting industry. The Board shall grant the request upon a demonstration of good cause from the requester and consultation with licensees. The Board shall respond to a request pursuant to this subsection (g) concerning a particular event before the start of the event or, if it is not feasible to respond before the start of the event, as soon as practicable.

(h) The Board and master sports wagering licensees may cooperate with investigations conducted by sports governing bodies or law enforcement agencies, including, but not limited to, providing and facilitating the provision of account-level betting information and audio or video files relating to persons placing wagers.

(i) A master sports wagering licensee shall make commercially reasonable efforts to promptly notify the Board any information relating to:

(1) criminal or disciplinary proceedings commenced against the master sports wagering licensee in connection with its operations;

(2) abnormal wagering activity or patterns that may indicate a concern with the integrity of a sports event or sports events;

(3) any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering that a licensee has knowledge of;

(4) any other conduct that corrupts a wagering outcome of a sports event or sports events for purposes of financial gain, including match fixing; and

(5) suspicious or illegal wagering activities, including use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, using agents to place wagers, and using false identification.

A master sports wagering licensee shall also make commercially reasonable efforts to promptly report information relating to conduct described in paragraphs (2), (3), and (4) of this subsection (i) to the relevant sports governing body.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 45/25-25)

Sec. 25-25. Sports wagering authorized.

(a) Notwithstanding any provision of law to the contrary, the operation of sports wagering is only lawful when conducted in accordance with the provisions of this Act and the rules of the Illinois Gaming Board and the Department of the Lottery.

(b) A person placing a wager under this Act shall be at least 21 years of age.

(c) A licensee under this Act may not accept a wager on a minor league sports event.

(d) Except as otherwise provided in this Section, a A licensee under this Act may not accept a wager for a sports event involving an Illinois collegiate team.

(d-5) Beginning on the effective date of this amendatory Act of the 102nd General Assembly until July 1, 2023, a licensee under this Act may accept a wager for a sports event involving an Illinois collegiate team if:

(1) the wager is a tier 1 wager;

(2) the wager is not related to an individual athlete's performance; and

(3) the wager is made in person instead of over the Internet or through a mobile application.

(e) A licensee under this Act may only accept a wager from a person physically located in the State.

(f) Master sports wagering licensees may use any data source for determining the results of all tier 1 sports wagers.

(g) A sports governing body headquartered in the United States may notify the Board that it desires to supply official league data to master sports wagering licensees for determining the results of tier 2 sports wagers. Such notification shall be made in the form and manner as the Board may require. If a sports governing body does not notify the Board of its desire to supply official league data, a master

sports wagering licensee may use any data source for determining the results of any and all tier 2 sports wagers on sports contests for that sports governing body.

Within 30 days of a sports governing body notifying the Board, master sports wagering licensees shall use only official league data to determine the results of tier 2 sports wagers on sports events sanctioned by that sports governing body, unless: (1) the sports governing body or designee cannot provide a feed of official league data to determine the results of a particular type of tier 2 sports wager, in which case master sports wagering licensees may use any data source for determining the results of the applicable tier 2 sports wager until such time as such data feed becomes available on commercially reasonable terms; or (2) a master sports wagering licensee can demonstrate to the Board that the sports governing body or its designee cannot provide a feed of official league data to the master sports wagering licensee on commercially reasonable terms. During the pendency of the Board's determination, such master sports wagering licensee may use any data source for determining the results of any and all tier 2 sports wagers.

(h) A licensee under this Act may not accept wagers on a kindergarten through 12th grade sports event.

(Source: P.A. 101-31, eff. 6-28-19.)

Sec. 25-30. Master sports wagering license issued to an organization licensee.

(a) An organization licensee may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to organization licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Except as otherwise provided in this subsection (b), the initial license fee for a master sports wagering license for an organization licensee is 5% of its handle from the preceding calendar year or the lowest amount that is required to be paid as an initial license fee by an owners licensee under subsection (b) of Section 25-35, whichever is greater. No initial license fee shall exceed \$10,000,000. An organization licensee licensed on the effective date of this

Act shall pay the initial master sports wagering license fee by July 1, 2021. For an organization licensee licensed after the effective date of this Act, the master sports wagering license fee shall be \$5,000,000, but the amount shall be adjusted 12 months after the organization licensee begins racing operations based on 5% of its handle from the first 12 months of racing operations. The master sports wagering license is valid for 4 years.

(c) The organization licensee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(d) An organization licensee issued a master sports wagering license may conduct sports wagering:

(1) at its facility at which inter-track wagering is conducted pursuant to an inter-track wagering license under the Illinois Horse Racing Act of 1975;

(2) at 3 inter-track wagering locations if the inter-track wagering location licensee from which it derives its license is an organization licensee that is issued a master sports wagering license; and

(3) over the Internet or through a mobile application.

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under either the same brand as the organization licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that

organization licensee on the effective date of this Act.

(f) Until issuance of the first license under Section 25-45 or March 5, 2022, whichever occurs first, an individual must create a sports wagering account in person at a facility under paragraph (1) or (2) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

(Source: P.A. 101-31, eff. 6-28-19; 101-648, eff. 6-30-20.)

(230 ILCS 45/25-35)

Sec. 25-35. Master sports wagering license issued to an owners licensee.

(a) An owners licensee may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to owners licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those

terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Except as otherwise provided in subsection (b-5), the initial license fee for a master sports wagering license for an owners licensee is 5% of its adjusted gross receipts from the preceding calendar year. No initial license fee shall exceed \$10,000,000. An owners licensee licensed on the effective date of this Act shall pay the initial master sports wagering license fee by July 1, 2021. The master sports wagering license is valid for 4 years.

(b-5) For an owners licensee licensed after the effective date of this Act, the master sports wagering license fee shall be \$5,000,000, but the amount shall be adjusted 12 months after the owners licensee begins gambling operations under the Illinois Gambling Act based on 5% of its adjusted gross receipts from the first 12 months of gambling operations. The master sports wagering license is valid for 4 years.

(c) The owners licensee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(d) An owners licensee issued a master sports wagering license may conduct sports wagering:

(1) at its facility in this State that is authorized to conduct gambling operations under the Illinois Gambling Act; and

(2) over the Internet or through a mobile application.

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under either the same brand as the owners licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that owners licensee on the effective date of this Act.

(f) Until issuance of the first license under Section 25-45 or March 5, 2022, whichever occurs first, an individual must create a sports wagering account in person at a facility under paragraph (1) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

(Source: P.A. 101-31, eff. 6-28-19; 101-648, eff. 6-30-20.)

(230 ILCS 45/25-40)

Sec. 25-40. Master sports wagering license issued to a sports facility.

(a) As used in this Section, "designee" means a master sports wagering licensee under Section 25-30, 25-35, or 25-45 or a management services provider licensee.

(b) A sports facility or a designee contracted to operate sports wagering at or within a 5-block radius of the sports facility may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering

licenses to sports facilities or their designees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (b), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(c) The Board may issue up to 7 master sports wagering licenses to sports facilities or their designees that meet the requirements for licensure as determined by rule by the Board. If more than 7 qualified applicants apply for a master sports wagering license under this Section, the licenses shall be granted in the order in which the applications were received. If a license is denied, revoked, or not renewed, the Board may begin a new application process and issue a license under this Section in the order in which the application was received.

(d) The initial license fee for a master sports wagering license for a sports facility is \$10,000,000. The master sports wagering license is valid for 4 years.

(e) The sports facility or its designee may renew the master sports wagering license for a period of 4 years by

paying a \$1,000,000 renewal fee to the Board.

(f) A sports facility or its designee issued a master sports wagering license may conduct sports wagering at or within a 5-block radius of the sports facility.

(g) A sports facility or its designee issued a master sports wagering license may conduct sports wagering over the Internet within the sports facility or within a 5-block radius of the sports facility.

(h) The sports wagering offered by a sports facility or its designee over the Internet or through a mobile application shall be offered under the same brand as the sports facility is operating under, the brand the designee is operating under, or a combination thereof.

(i) Until issuance of the first license under Section 25-45 or March 5, 2022, whichever occurs first, an individual must register in person at a sports facility or the designee's facility to participate in sports wagering offered over the Internet or through a mobile application.

(Source: P.A. 101-31, eff. 6-28-19.)

(230 ILCS 45/25-50)

Sec. 25-50. Supplier license.

(a) The Board may issue a supplier license to a person to sell or lease sports wagering equipment, systems, or other gaming items to conduct sports wagering and offer services related to the equipment or other gaming items and data to a

master sports wagering licensee while the license is active.

(b) The Board may adopt rules establishing additional requirements for a supplier and any system or other equipment utilized for sports wagering. The Board may accept licensing by another jurisdiction that it specifically determines to have similar licensing requirements as evidence the applicant meets supplier licensing requirements.

(c) An applicant for a supplier license shall demonstrate that the equipment, system, or services that the applicant plans to offer to the master sports wagering licensee conforms to standards established by the Board and applicable State law. The Board may accept approval by another jurisdiction that it specifically determines have similar equipment standards as evidence the applicant meets the standards established by the Board and applicable State law.

(d) Applicants shall pay to the Board a nonrefundable license and application fee in the amount of \$150,000. Except as provided by Section 8.1 of the Illinois Gambling Act, the initial supplier license shall be issued for 4 years unless sooner canceled or terminated. After the initial period 4-year ~~term,~~ the Board shall renew supplier licenses for additional 4-year periods unless sooner canceled or terminated annually thereafter. Renewal of a supplier license shall be granted to a renewal applicant who has continued to comply with all applicable statutory and regulatory requirements, ~~upon submission of the Board issued renewal form and payment of a~~

~~\$150,000 renewal fee.~~ Beginning 4 years after issuance of the initial supplier license, a holder of a supplier license shall pay a \$150,000 annual license fee.

(e) A supplier shall submit to the Board a list of all sports wagering equipment and services sold, delivered, or offered to a master sports wagering licensee in this State, as required by the Board, all of which must be tested and approved by an independent testing laboratory approved by the Board. A master sports wagering licensee may continue to use supplies acquired from a licensed supplier, even if a supplier's license expires or is otherwise canceled, unless the Board finds a defect in the supplies.

(Source: P.A. 101-31, eff. 6-28-19.)

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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