MEMORANDUM

To: John Lowder, Director, House Democratic Research and Appropriations Staff

From: Mark Ostrowski, Administrator

Date: January 11, 2012

Subject: Illinois Grant Funds Recovery Act

The Illinois Gaming Board is responsible for one "Grant" line in its annual budget, as approved by the General Assembly, and signed into law by the Governor.

Section 13 (b) of the Riverboat Gambling Act (230 ILCS 10/13 (b)) provides in pertinent part that: "Beginning January 1, 1998, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat 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."

Local distributions under the Riverboat Gambling Act are not "Grants" under the Illinois Grant Funds Recovery Act (30 ILCS 705) because they are appropriated to the Illinois Gaming Board.

Section 2 (b) of the Act provides in pertinent part:
"Funds disbursed by the State Comptroller pursuant to an appropriation made by the General Assembly to a named entity [in this instance the Gaming Board] are not grant funds for purposes of this Act."