

Rep. André Thapedi

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10100HB1260ham004 LRB101 03492 SMS 61452 a 1 AMENDMENT TO HOUSE BILL 1260 AMENDMENT NO. _____. Amend House Bill 1260 by replacing 2 everything after the enacting clause with the following: 3 "Article 1. Sporting Contest Safety and Integrity Act 4 5 Section 1-1. Short title. This Article may be cited as the 6 Sporting Contest Safety and Integrity Act. References in this 7 Article to "this Act" mean this Article. Section 1-5. Definitions. As used in this Act: 8 9 "Athlete" means any current, former, or prospective professional athlete. 10 "Board" means the Illinois Gaming Board. 11 "Covered persons" includes athletes; players (current and 12 13 former); umpires, referees, and officials; personnel 14 associated with players, clubs, teams, leagues, and athletic

associations; medical professionals (including athletic

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trainers) who provide services to athletes and players;
spectators and bystanders at sporting contests and facilities
used in connection with sporting contests; other individuals
with regular access to sporting contest fields and facilities;
and the family members and associates of these persons where
required to serve the purposes of this Act.

"Person" means any individual, partnership, corporation, association, or other entity.

"Personal data" means the personal data (including anonymized data) of athletes and players, including, but not limited to, performance, movement, biometric, health, fitness, and sleep, collected in any manner, including, but not limited to, in-arena, stadium, and training facility ball tracking systems and player tracking systems, whether or not using devices attached to the athlete's person or clothing. "Personal data" does not include personal health information in which the use and disclosure are covered by federal and State laws.

"Persons who present sporting contests" includes organized sports leagues and associations, their members and affiliates, and other persons who present sporting contests to the public.

"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

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communications made to a covered person by a third party, such as a family member or through social media.

"Publicity rights" means a person's right to control and to choose whether and how to use his or her identity for commercial purposes.

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

Section 1-10. Personal safety and sporting contests.

- (a) Any person who presents a sporting contest must take all reasonable measures necessary to ensure the safety and security of all involved in or attending the sporting contest, including athletes, players, umpires, referees, officials, and other personnel associated with the athlete, player, club, team, league, or association involved and spectators at the sporting contest and family members and associates of such persons, where required to serve the purposes of this Act.
- (b) The requirement in subsection (a) applies in all areas 18 19 where the sporting contest occurs and in associated areas, 20 including areas of entry and egress, seating, adjacent 21 concourses, food vending, restrooms, locker rooms, restricted 22 areas, and parking lots. It also applies at other locations 23 within the control of a person who presents a sporting event, 24 such as training, practice, or strength and conditioning 25 facilities or facilities temporarily utilized for team or club

1 events.

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- (c) Persons who present sporting contests shall establish codes of conduct that forbid all persons associated with the sporting contest from engaging in physical assault or attempted assault, verbal or physical threats, or any other interactions that intimidate others associated with the sporting contest.
- (d) Persons who present sporting contests are required to hire, train, and equip safety and security personnel to enforce the code of conduct and otherwise address any safety or security concern associated with the sporting contests.
- (e) Persons who present sporting contests shall have authority to remove spectators and others from any facility for violation of the code of conduct, and, after appropriate procedure, to deny persons access to all facilities they control, to revoke season tickets or comparable licenses, and to share information about such persons with others who present sporting contests and with the appropriate jurisdictions' law enforcement authorities.
- (f) Persons who present sporting contests shall provide notice to the general public and those who attend sporting contests or visit their facilities of the code of conduct and the potential penalties for its violation. Notice shall be provided in as many forms as required to ensure that the code of conduct is known, including physical posting, website posting, public address announcements, and others.

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- 1 Section 1-15. Reporting prohibited conduct; investigating allegations of gambling related fraud. 2
 - (a) The Board shall establish a hotline or other method of communication that allows any person to confidentially report information about prohibited conduct to the Board.
- (b) The Board shall investigate all reasonable allegations of prohibited conduct and refer any allegations it deems 7 credible to the appropriate law enforcement entity.
 - (c) The identity of any reporting person shall remain confidential unless that person authorizes disclosure of his or her identity or until such time as the allegation of prohibited conduct is referred to law enforcement.
 - (d) The Board shall adopt emergency rules to administer this Section in accordance with Section 5-45 of the Illinois Administrative Procedure Act.
- 16 (e) The Board shall adopt rules governing investigations of prohibited conduct and referrals to law enforcement entities. 17
- 18 Section 1-20. Use and sale of personal data.
 - (a) Unless expressly authorized by the player or his or her exclusive bargaining representative, any personal data may not be used by any party without the player's permission.
- 22 (b) No person who presents sporting contests may separately 23 sell personal data that includes player publicity rights 24 without the player's written consent or the written consent of 25 the player's authorized agent.

- 1 (c) A licensee under the Sports Wagering Act shall be
- 2 required to use official league data as provided under Section
- 3 5-75 of the Sports Wagering Act for tier 2 sports wagers.

4 Article 5. Sports Wagering Act

- 5 Section 5-1. Short title. This Act may be cited as the
- 6 Sports Wagering Act. References in this Article to "this Act"
- 7 mean this Article.
- 8 Section 5-5. Implementation of this Act. The Board must
- 9 adopt any rules and take any other actions necessary so that
- sports wagering licensees and online sports wagering licensees
- 11 may begin conducting sports wagering under this Act beginning
- 12 90 days after the effective date of this Act.
- 13 Section 5-10. Definitions. As used in this Act:
- "Adjusted gross sports wagering receipts" means a sports
- wagering licensee's or online sports wagering licensee's gross
- 16 sports wagering receipts, less winnings paid to wagerers in
- 17 such games.
- "Affiliate" means a person who directly or indirectly owns
- or controls, is owned or controlled by, or is under common
- 20 ownership or control with or has a material economic interest
- in another person.
- "Board" means the Illinois Gaming Board.

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"Covered asset" means any tangible or intangible asset
designed for use in or used in connection with conduct that
constitutes illegal gambling under any law of the United
States, the State of Illinois, or another state as determined
by a final decision of a court of competent jurisdiction or as
described in an official opinion or pronouncement of the
Attorney General of this State or any other state, including,
without limitation:

- (1) any trademark, trade name, service mark, or similar intellectual property used in connection with such conduct:
 - (2) any information regarding persons through a database, customer list, or any derivative of a database or customer list; and
- (3) any software or hardware relating to management, administration, development, testing, or control used in connection with such conduct.

"Gaming facility" means a riverboat under the Riverboat Gambling Act, a racetrack or inter-track wagering location under the Illinois Horse Racing Act of 1975, or a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment under the Video Gaming Act.

24 "License" means a license applied for or issued by the 25 Board under this Act, including, but not limited to:

(1) a license to act as an agent of the Board in

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_	operating sports wagering at a gaming facility or online,
2	including through the use of a sports wagering skin (sports
3	wagering license);

- (2) a license to act as an agent of the Board in operating sports wagering online, including through the use of a sports wagering skin (online sports wagering license);
- (3) a license derived from a sports wagering license or an online sports wagering license to act as an agent of the Board in operating sports wagering through a portal, website, or computer or mobile application or app (sports wagering skin license);
- (4) a license to supply a sports wagering licensee or online sports wagering licensee with sports wagering equipment or services necessary for the operation of sports wagering (supplier license);
- (5) a license to be employed by a 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 sports wagering licensee (occupational license); and
- (6) a license to provide management services under a contract to a sports wagering licensee or online sports wagering licensee (management services provider license).

 "Official league data" means statistics, results,

- 1 outcomes, and other data relating to a sports event obtained
- 2 pursuant to an agreement with the relevant sports governing
- 3 body, or an entity expressly authorized by the sports governing
- 4 body to provide such information to licensees, which authorizes
- 5 the use of such data for determining the outcome of tier 2
- 6 sports wagers.
- 7 "Online sports wagering licensee" means a winning bidder
- 8 that has paid the license fee and been issued an online sports
- 9 wagering license by the Board.
- 10 "Person" means an individual, partnership, committee,
- 11 association, corporation or any other organization or group of
- 12 persons.
- "Qualified applicant" means an applicant for a license
- 14 under this Act whose application meets the mandatory minimum
- 15 qualification criteria as required by the Board.
- "Sports event" means a professional sport or athletic
- 17 event, a collegiate sport or athletic event, a motor race
- 18 event, or any other special event authorized by the Board under
- 19 this Act.
- "Sports wagering" means the business of accepting wagers on
- 21 sports events and other events, the individual performance
- 22 statistics of athletes in a sports event or other events, or a
- 23 combination of any of the same by any system or method of
- 24 wagering approved by the Board, including, but not limited to,
- 25 mobile applications and other digital platforms that utilize
- 26 communications technology to accept wagers originating within

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- 1 this State. "Sports wagering" includes, but is not limited to,
- exchange wagering, parlays, over-under, moneyline, pools, and 2
- straight bets. "Sports wagering" does not include: 3
- 4 (1) pari-mutuel wagering on the outcome of horse races 5 authorized by the Illinois Horse Racing Act of 1975;
- (2) lottery games authorized by the Illinois Lottery 6 7 Law;
- 8 (3) video gaming authorized by the Video Gaming Act; 9 and
- 10 (4)gambling games authorized by the Riverboat 11 Gambling Act.

"Sports wagering account" means a financial established by a sports wagering licensee or an online 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 sports wagering licensee or online sports wagering licensee may credit winnings or other amounts due to that patron or authorized by that patron.

"Sports wagering licensee" means an organization licensee or inter-track wagering location licensee under the Illinois Horse Racing Act of 1975 or an owners licensee under the Riverboat Gambling Act authorized to conduct sports wagering in its facility or online.

"Sports wagering skin" means the brand used by the sports wagering licensee or online sports wagering licensee as presented through a portal, website, or computer or mobile

- 1 application or app through which authorized sports wagering is
- made available to authorized participants by a sports wagering 2
- 3 licensee or online sports wagering licensee.
- 4 "Tier 1 sports wager" means a sports wager that is
- 5 determined solely by the final score or final outcome of the
- sports event and is placed before the sports event has begun. 6
- "Tier 2 sports wager" means a sports wager that is not a 7
- 8 tier 1 sports wager.
- 9 "Wager" means a sum of money or thing of value risked on an
- 10 uncertain occurrence.
- 11 "Winning bidder" means a qualified applicant for an online
- sports wagering license chosen through the competitive 12
- 13 selection process under Section 5-30.
- 14 Section 5-15. State authorization of sports wagering.
- 15 Notwithstanding any provision of law to the contrary, the
- operation of sports wagering and ancillary activities are only 16
- 17 lawful when conducted in accordance with the provisions of this
- Act and the rules of the Board. 18
- Section 5-20. Board duties and powers. 19
- 20 (a) The Board shall have the authority to regulate the
- 21 conduct of sports wagering under this Act.
- 22 (b) The Board has the authority to adopt any rules the
- 23 Board considers necessary for the successful implementation,
- 24 administration, and enforcement of this Act. Rules proposed by

- the Board before December 1, 2019 may be adopted as emergency 1
- rules pursuant to Section 5-45 of the Illinois Administrative 2
- 3 Procedure Act.
- 4 (c) The Board shall levy and collect all fees, surcharges,
- 5 civil penalties, and monthly taxes on adjusted gross sports
- wagering receipts imposed by this Act and deposit all moneys 6
- into the Sports Wagering Fund, except as otherwise provided 7
- 8 under this Act.
- 9 (d) The Board may exercise any other powers necessary to
- 10 enforce the provisions of this Act and the rules of the Board.
- Section 5-25. Licenses required. 11
- 12 (a) No person may engage in any activity in connection with
- sports wagering in this State unless all necessary licenses 13
- 14 have been obtained in accordance with this Act and the rules of
- 15 the Board. The following licenses shall be issued under this
- 16 Act:

- (1) sports wagering license;
- 18 (2) online sports wagering license
- 19 (3) sports wagering skin license;
- 20 (4) supplier license;
- 21 (5) management services provider license; and
- 22 (6) occupational license.
- No person or entity may engage in a sports wagering 23
- 24 operation or activity without first obtaining the appropriate
- 25 license.

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- (b) Except for provisional licenses issued under Sections 5-40 and 5-55, the Board may not grant a license until it determines that each person who has control of the applicant meets all qualifications for licensure. The following persons are considered to have control of an applicant:
 - (1) each person associated with a corporate applicant, including a corporate holding company, parent company, or subsidiary company of the applicant who has the ability to control the activities of the corporate applicant or elect a majority of the board of directors of that corporation; this does not include a bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business;
 - each person associated with a non-corporate applicant who directly or indirectly holds a beneficial or proprietary interest in the applicant's business operation or who the Board otherwise determines has the ability to control the applicant; and
 - key personnel of an applicant, including an executive, employee, or agent, having the power to exercise significant influence over decisions concerning any part of the applicant's business operation.
 - (c) An applicant for a license issued under this Act shall submit an application to the Board in the form the Board requires and submit fingerprints for a national criminal records check by the Department of State Police and the Federal

- 1 Bureau of Investigation. The fingerprints shall be furnished by
- all persons required to be named in the application and shall 2
- be accompanied by a signed authorization for the release of 3
- 4 information by the Federal Bureau of Investigation. The Board
- 5 may require additional background checks on licensees when they
- 6 apply for annual license renewal, and an applicant convicted of
- a disqualifying offense shall not be licensed. 7
- 8 (d) Each sports wagering licensee, licensed supplier, or
- 9 licensed management services provider shall display the
- 10 license conspicuously in the licensee's place of business or
- 11 have the license available for inspection by an agent of the
- Board or a law enforcement agency. 12
- (e) Each holder of an occupational license shall carry the 13
- license and have some indicia of licensure prominently 14
- 15 displayed on his or her person when present in a gaming
- 16 facility licensed under this Act at all times, in accordance
- with the rules of the Board. 17
- 18 (f) Each person licensed under this Act shall give the
- Board written notice within 30 days after a change to 19
- 20 information provided in the licensee's application for a
- license or renewal. 2.1
- 22 (g) No Board employee may be an applicant for a license
- issued under this Act, nor may an employee of a licensee 23
- 24 directly or indirectly hold an ownership or a financial
- 25 interest in a sports wagering license.

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Section 5-30. Online sports wagering license.

- (a) The Board shall issue 3 online sports wagering licenses for a nonrefundable license fee of \$20,000,000 pursuant to an open and competitive selection process. The online sports wagering license may be renewed after 5 years upon payment of a \$100,000 renewal fee. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing online sports wagering licenses and encourage businesses owned minorities, women, veterans, and persons with disabilities to apply for licensure. For purposes of this Section, for a business to be owned by minorities, women, veterans, or persons with disabilities, at least 51% of the ownership of the business must be held by a qualifying person or persons.
- (b) Applications for the initial competitive selection occurring after the effective date of this Act shall be received by the Board by December 1, 2019 to qualify. The Board shall announce the winning bidders for the initial competitive selection by March 1, 2020.
- (c) The Board shall provide public notice of its intent to solicit applications for online sports wagering licenses by posting the notice, application instructions, and materials on its website for at least 30 calendar days before the applications are due. Failure by an applicant to submit all required information may result in the application being disqualified. The Board may notify an applicant that its

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1 application is incomplete and provide an opportunity to cure by 2 rule. Application instructions shall include a brief overview 3 of the selection process and how applications are scored.

(d) To be eligible for an online sports wagering license, an applicant must: (1) be at least 21 years of age; (2) not have been convicted of a felony offense or a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar statute of any other jurisdiction; (3) not have been convicted of a crime involving dishonesty or moral turpitude; (4) have demonstrated a level of skill or knowledge that the Board determines to be necessary in order to operate sports wagering; and (5) have met standards for the holding of a license as adopted by rules of the Board.

Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of sports wagering in this State and to promote and maintain a competitive sports wagering market. After the close of the application period, the Board shall determine whether the applications meet the mandatory minimum qualification criteria and conduct a comprehensive, fair, and impartial evaluation of all qualified applications.

- (e) The Board shall open all qualified applications in a public forum and disclose the applicants' names. The Board shall summarize the terms of the proposals and make the summaries available to the public on its website.
 - (f) Not more than 90 days after the publication of the

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- 1 qualified applications, the Board shall identify the winning 2 bidders. In granting the licenses, the Board may give favorable consideration to qualified applicants presenting plans that 3 4 provide for economic development and community engagement. To 5 the extent permitted by federal and State law, the Board may 6 favorable consideration to qualified applicants demonstrating commitment to diversity in the workplace. 7
 - (g) Upon selection of the winning bidders, the Board shall have a reasonable period of time to ensure compliance with all applicable statutory and regulatory criteria before issuing the licenses. If the Board determines a winning bidder does not satisfy all applicable statutory and regulatory criteria, the Board shall select another bidder from the remaining qualified applicants.
 - (h) Nothing in this Section is intended to confer a property or other right, duty, privilege, or interest entitling an applicant to an administrative hearing upon denial of an application.
 - (i) Upon issuance of an online sports wagering license to a winning bidder, the information and plans provided in the application become a condition of the license. Online sports wagering licensees have a duty to disclose any material changes to the application. Failure to comply with the conditions or requirements in the application may subject the online sports wagering licensee to discipline, up to and including suspension or revocation of its license, by the Board.

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- (j) The Board shall disseminate information about the licensing process through media demonstrated to reach large numbers of business owners and entrepreneurs who minorities, women, veterans, and persons with disabilities.
 - (k) The Department of Commerce and Economic Opportunity, in conjunction with the Board, shall conduct ongoing, thorough, and comprehensive outreach to businesses owned by minorities, veterans, and persons with disabilities contracting and entrepreneurial opportunities in wagering. This outreach shall include, but not be limited to:
 - (1) cooperating and collaborating with other State boards, commissions, and agencies; public and private universities and community colleges; and local governments to target outreach efforts; and
 - (2) working with organizations serving minorities, women, and persons with disabilities to establish and conduct training for employment in sports wagering.
 - (1) The Board shall partner with the Department of Labor, the Department of Financial and Professional Regulation, and the Department of Commerce and Economic Opportunity to identify employment opportunities within the sports wagering industry for job seekers and dislocated workers.
 - (m) By December 31, 2019, the Board shall conduct a study of the online sports wagering industry and market to determine whether there is a compelling interest in implementing remedial measures, including the application of the Business Enterprise

- 1 Program under the Business Enterprise for Minorities, Women,
- and Persons with Disabilities Act or a similar program to 2
- assist minorities, women, and persons with disabilities in the 3
- 4 sports wagering industry.
- 5 As a part of the study, the Board shall evaluate race and
- 6 gender-neutral programs or other methods that may be used to
- address the needs of minority and women applicants and 7
- 8 minority-owned and women-owned businesses seekina
- 9 participate in the sports wagering industry. The Board shall
- 10 submit to the General Assembly and publish on its website the
- 11 results of this study by March 1, 2020.
- If, as a result of the study conducted under this 12
- 13 subsection (m), the Board finds that there is a compelling
- 14 interest in implementing remedial measures, the Board may adopt
- 15 rules, including emergency rules, to implement remedial
- 16 measures, if necessary and to the extent permitted by State and
- federal law, based on the findings of the study conducted under 17
- 18 this subsection (m).
- 19 (n) Each online sports wagering licensee shall be limited
- 20 to one sports wagering skin to provide sports wagering online.
- The sports wagering skin must reflect a brand owned by the 2.1
- 22 sports wagering licensee or any affiliate of the sports
- 23 wagering licensee in the United States.
- 24 Section 5-35. Sports wagering skin.
- 25 (a) The Board may issue a sports wagering skin license to

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- 1 an entity that provides a nonrefundable license fee of 2 \$5,000,000. The sports wagering skin license may be renewed after 5 years upon payment of a \$100,000 renewal fee. 3
 - (b) To be eligible for a sports wagering skin license, an applicant must: (1) be at least 21 years of age; (2) not have been convicted of a felony offense or a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar statute of any other jurisdiction; (3) not have been convicted of a crime involving dishonesty or moral turpitude; (4) have demonstrated a level of skill or knowledge that the Board determines to be necessary in order to operate sports wagering; and (5) have met standards for the holding of a license as adopted by rules of the Board.
 - (c) The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of sports wagering in this State and to promote and maintain a competitive sports wagering market.
 - (d) After the close of the application period, the Board shall determine whether the applications meet the mandatory minimum qualification criteria and conduct a comprehensive, fair, and impartial evaluation of all qualified applications.
- 22 Section 5-37. Additional requirements for online sports 23 wagering and sports wagering skin licenses.
- 24 (a) Unless otherwise provided, this Section applies to all 25 applicants for online sports wagering licenses and sports

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1 wagering skin licenses. The Board shall, at a minimum, apply

2 the same criteria set forth in Section 9 of the Riverboat

Gambling Act and Section 45 of the Video Gaming Act when

determining whether or not to issue or deny an online sports

wagering license and a sports wagering skin license.

(b) Applications for online sports wagering licenses and sports wagering skin licenses shall be made on forms provided by the Board and shall contain information the Board prescribes, including, but not limited to, detailed information regarding the ownership and management of the applicant, detailed personal information regarding the applicant, financial information regarding the applicant, and the gaming history and experience of the applicant in the United States and other jurisdictions when it supplies its platform to sports wagering operators who accept wagers without a gambling license or itself accepts wagers without a gambling license. The applicant shall also set forth in the application: whether he or she has been issued prior gambling related licenses; whether he or she has been licensed in any other state under any other name and, if so, the name and his or her age; whether he or she, or any affiliate of the applicant, or any officer or director of the applicant or its affiliate have accepted wagers through the Internet within the last 10 years, including a list of jurisdictions where such wagers were offered or accepted, and the legal authority or circumstances under which such wagers were offered or accepted in each

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1 jurisdiction; whether the applicant has been convicted of any 2 felony under federal or State law; whether the applicant is 3 subject to any current prosecution or pending charges in any jurisdiction for any crime involving illegal gambling, public 4 5 integrity, embezzlement, theft, fraud, or perjury; and whether 6 or not a permit or license issued to the applicant in any other state has been suspended, restricted, or revoked and, if so, 7 8 for what period of time.

- (c) Information provided on an application shall be used as a basis for a thorough background investigation that the Board shall conduct with respect to each applicant. An incomplete application shall be cause for denial of a license by the Board. Each applicant shall submit to а background investigation conducted by the Board with the assistance of the 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: (1) each beneficiary of a trust, (2) each partner of a partnership, (3) each member of a limited liability company, (4) each director and officer of a publicly or non-publicly held corporation, (5) each stockholder of a non-publicly held corporation, (6) each stockholder of 5% or more of a publicly held corporation, or (7) each stockholder of 5% or more in a parent or subsidiary corporation.
- (d) Each applicant shall disclose the identity of every

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- 1 person, association, trust, or corporation having a greater 2 5% direct or indirect pecuniary interest in 3 applicant's operation. If the disclosed entity is a trust, the 4 application shall disclose the names and addresses of the 5 beneficiaries; if a corporation, the names and addresses of all 6 stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited. 7
 - (e) An application shall be filed and considered in accordance with the rules of the Board. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of its review or investigation of an application for a license or a renewal under this Act shall be privileged, confidential, and used only for the purpose of evaluating an applicant for a license or a renewal. The information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence nor discoverable in any action of any kind in any court or before any tribunal, board, agency, or person, except for any action deemed necessary by the Board.
 - (f) Each person disclosed under subsection (d) shall submit with his or her application, on forms provided by the Board, sets of his or her fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the

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- applicant's application. These fees shall be paid into the 1 State Police Services Fund. 2
 - (g) Applicants shall certify to the Board that all supplies, software, kiosks, and any other related equipment may not be used unless they conform to standards adopted by rules of the Board. Applicants shall furnish to the Board a list of all supplies, software, kiosks, and any other related equipment that will be used.
 - (h) The Board may, subject to notice and an opportunity for hearing, in its discretion refuse a sports wagering skin license to any person: (1) who is unqualified to perform the duties required of the applicant; (2) who fails to prove by clear and convincing evidence that the applicant is qualified in accordance with the provisions of this Act; (3) who fails to disclose or states falsely any information called for in the (4)who fails to provide information, application; documentation, and assurances required by this Act or requested by the Board, or who fails to reveal any fact material to qualification, or who supplies information that is untrue or misleading as to a material fact pertaining to qualification criteria; (5) who has been convicted of any offense in any jurisdiction that is or would be a felony or other crime involving public integrity, embezzlement, theft, fraud, or perjury; (6) who has committed prior acts that have not been prosecuted, or in which the person was not convicted, but form a pattern of misconduct that makes the applicant

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unsuitable for a license under this Act; (7) who has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the State in awarding a sports wagering skin license to the applicant; (8) who has been convicted of a felony for any offense under federal or State law that indicates that licensure of the person would be inimical to the policy of this Act; (9) who is currently the subject of prosecution or pending charges in any jurisdiction for any of the offenses involving illegal gambling, public integrity, embezzlement, theft, fraud, or perjury; however, at the request of the person, the Board may defer decision upon such application during the pendency of such charge; (10) who has pursued economic gain that is in violation of the criminal or civil public policies of this State, if such pursuit creates a reasonable belief that the participation of such person in gaming operations would be inimical to the policies of this Act; (11) who has committed any offense that would constitute illegal gambling, or a crime involving public integrity, embezzlement, theft, fraud, or perjury, even if such conduct has not been or may not be prosecuted under the criminal laws this State or any other jurisdiction; (12) who has flagrantly defied any legislative investigatory body or other official investigatory body of any state or of the United States when such body is engaged in the investigation of crimes relating to gaming, official corruption, or organized crime

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activity; (13) who has been found quilty of a violation of this Act or whose prior gambling related license or application therefor has been suspended, restricted, revoked, or denied for just cause in any other state; (14) who has received an unequivocal official pronouncement from government authorities in any state or foreign country that it has supplied platforms or accepted wagers in violation of that jurisdiction's law; (15) who has a background, including a criminal record, reputation, habits, social or business associations, and prior activities that constituted illegal gambling or pose a threat to the public interests of the State, to the security and integrity of sports wagering, or to the promotion and maintenance of a competitive sports betting market in this State; (16) who presents, creates, or enhances the dangers of unsuitable, unfair, or illegal practices, methods, activities in the conduct of sports wagering; (17) who presents questionable business practices and financial arrangements incidental to the conduct of sports wagering activities; or (18) for any other just cause.

(i) The Board may suspend, revoke, or restrict any sports wagering skin license: (1) for violation of any provision of this Act; (2) for violation of any of the rules of the Board; (3) for any cause which, if known to the Board, would have disqualified the applicant from receiving the license; (4) for default in the payment of any obligation or debt due to the State of Illinois; or (5) for any other just cause.

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- (j) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.
 - (k) To maintain public confidence, trust, and security in the credibility and integrity of sports wagering in this State as a new form of wagering that was previously unauthorized and because the Board must ensure that any applicant has not previously engaged in prohibited or questioned conduct, no online sports wagering license or sports wagering skin license shall be granted for a period of 3 years after the effective date of this Act:
 - (1) to an applicant if the applicant, any affiliate of the applicant, or any officer or director of the applicant or its affiliate engaged in conduct constituting illegal gambling under any law of the United States, the State of Illinois, or another state as determined by a final decision of a court of competent jurisdiction or as described in an official opinion or pronouncement of the Attorney General of this State or any other state and continued to engage in such conduct after that opinion or pronouncement was issued; or
 - (2) to a person who purchases, licenses, contracts for or with respect to, or uses any covered asset, in whole or in part, for the operation of sports wagering or with a operating sports wagering. Purchasing, purpose of licensing, contracting for or with respect to, or using a covered asset is grounds for revocation of an online sports

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wagering license or a finding of unsuitability by the 1 Board. 2

The provisions of this subsection (k) do not apply to any applicant that can demonstrate to the Board, by clear and convincing evidence, that the conduct was not unlawful under any law of the United States, the State of Illinois, or the state where the conduct occurred, or that, in response to each final court decision or official opinion or pronouncement of the Attorney General of this State or any other state, such conduct was promptly ceased. This subsection (k) does not waive the applicant's burden of proof and obligation to comply with all other applicable licensing and suitability requirements set forth in this Act.

- (1) No online sports wagering license or sports wagering skin license shall be issued by the Board to any entity unless it has established its financial stability, responsibility, good character, honesty, and integrity.
- (m) The provisions of this Section are not deemed to be so intertwined with the other provisions, Sections, applications of this Act that the General Assembly intended this Act to stand or fall as a whole if any provision of this Section or application thereof to any person or circumstance were held invalid or unenforceable by a court of competent jurisdiction. If any provision of this Section or application thereof to any person or circumstance is held invalid or unenforceable, then that invalidity or unenforceability does

- 1 not affect the other provisions, Sections, or applications of
- 2 this Act that can be given effect without the invalid or
- 3 unenforceable application or provision of this Section, and to
- 4 this end the provisions of this Act that can be given effect
- 5 are deemed severable.

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- 6 Section 5-40. Sports wagering license.
- 7 (a) The Board shall issue 7 sports wagering licenses to an 8 organization licensee or inter-track wagering location 9 licensee under the Illinois Horse Racing Act of 1975, an owners 10 licensee under the Riverboat Gambling Act, or a terminal Video Gaming Act that provides 11 operator under the 12 nonrefundable license fee of \$15,000,000. The sports wagering 13 license may be renewed after 5 years upon payment of a \$250,000 14 renewal fee. If more than 7 eligible applicants apply for a 15 sports wagering license, the licenses shall be granted in the order in which the applications were received. If a license is 16 revoked or not renewed, the Board may begin a new application 17 process and issue a license in the order in which the 18 19 application was received.
 - (b) Each sports wagering licensee shall be limited to one sports wagering skin to provide sports wagering online. The sports wagering skin must reflect a brand owned by the sports wagering licensee or any affiliate of the sports wagering licensee in the United States.
 - (c) An applicant for a sports wagering license that holds a

- 1 valid license to conduct sports wagering in another United
- States jurisdiction shall be issued a provisional license until 2
- 3 the sports wagering license is issued or denied by the Board
- 4 and the provisional license is effective upon issuance.
- 5 Section 5-45. Management services provider license.
- (a) The holder of a sports wagering license or online 6 7 sports wagering license may contract with an entity to conduct
- 8 that operation in accordance with the rules of the Board. That
- 9 entity shall obtain a license as a management services provider
- 10 before the execution of any such contract, and the license
- shall be issued pursuant to the provisions of this Act and any 11
- 12 rules adopted by the Board.
- 13 (b) Each applicant for a management services provider
- 14 license shall meet all requirements for licensure and pay a
- 15 nonrefundable license and application fee of \$250,000. The
- Board may adopt rules establishing additional requirements for 16
- 17 an authorized management services provider. The Board may
- accept licensing by another jurisdiction that it specifically 18
- 19 determines to have similar licensing requirements as evidence
- 20 the applicant meets authorized management services provider
- 21 licensing requirements.
- 22 (c) Management services provider licenses shall be renewed
- 23 annually to a licensee who continues to be in compliance with
- 24 all requirements and who pays the annual renewal fee of
- 25 \$250,000.

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- 1 An entity or individual who shares in revenue,
- 2 including an affiliate operating under a revenue share
- agreement, shall be licensed under this Section. 3
- 4 Section 5-50. Supplier license.

while the license is active.

- 5 (a) The Board may issue a supplier license to a person to sell or lease sports wagering equipment, systems, or other 6 gaming items necessary to conduct sports wagering, and offer 7 services related to the equipment or other gaming items to a 8 9 sports wagering licensee and online sports wagering licensee
 - 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 sports wagering licensee or online 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

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- 1 license and application fee in the amount of \$100,000. After 2 the initial one-year term, the Board shall renew supplier licenses annually thereafter. Renewal of a supplier license 3 4 shall be granted to a renewal applicant who has continued to 5 comply with all applicable statutory and regulatory 6 requirements, upon submission of the Board-issued renewal form and payment of a \$100,000 renewal fee. 7
 - (e) A supplier shall submit to the Board a list of all sports wagering equipment and services sold, delivered to, or offered to a sports wagering licensee or online 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 sports wagering licensee and online sports wagering licensee may continue to use supplies acquired from a licensed supplier, even if a supplier's supplier license expires or is otherwise canceled, unless the Board finds a defect in the supplies.

Section 5-55. Occupational license.

(a) All persons employed to be engaged directly in sports wagering-related activities, or otherwise conducting operating sports wagering, shall be licensed by the Board and maintain a valid occupational license at all times, and the Board shall issue the license to be employed in the operation of sports wagering to a person who meets the requirements of this Section.

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- (b) An occupational license to be employed by a gaming facility authorized to conduct sports wagering permits the licensee to be employed in the capacity designated by the Board while the license is still active. The Board may establish, by rule, job classifications with different requirements to recognize the extent to which a particular job has the ability to impact the proper operation of sports wagering.
 - (c) Applicants shall submit any required application forms established by the Board and pay a nonrefundable application fee of \$100. The fee may be paid on behalf of an applicant by the employer.
 - (d) Each licensed employee shall pay to the Board an annual license fee of \$100 by June 30 of each year. The fee may be paid on behalf of the licensed employee by the employer. In addition to a renewal fee, each licensed employee shall annually submit a renewal application on the form required by the Board.
 - (e) An applicant for an occupational license that holds a valid license to be employed to work in a designated gaming area that has sports wagering or performs duties in furtherance of or associated with the operation of sports wagering in another United States jurisdiction shall be issued provisional license to be employed to work in a designated gaming area that has sports wagering or performs duties in furtherance of or associated with the operation of sports wagering in the State until issued an occupational license by the Board and may begin employment in a designated gaming area

- 1 that has sports wagering or performing duties in furtherance of
- or associated with the operation of sports wagering on the 2
- 3 operative date.
- 4 Section 5-60. Authorization of sports wagering.
- 5 (a) A person placing a wager with a sports wagering
- licensee or online sports wagering licensee shall be at least 6
- 7 21 years of age.
- 8 (b) A licensee that offers tier 2 sports wagers must use
- 9 official league data approved by the Board. If a licensee
- 10 offers tier 2 sports wagers, it shall remit a royalty as
- provided under Section 5-80 to the appropriate sports governing 11
- 12 body.
- 13 Section 5-65. Compulsive gambling. Each sports wagering
- 14 licensee and online sports wagering licensee shall include a
- regarding obtaining assistance with 15 statement
- 16 problems, the text of which shall be determined by rule by the
- Department of Human Services, on the sports wagering licensee's 17
- 18 and online sports wagering licensee's portal, Internet
- 19 website, or computer or mobile application or app.
- 20 Section 5-70. Sports wagering revenues; Sports Wagering
- 21 Fund; impact fee.
- 2.2 (a) For the privilege of holding a license to operate
- sports wagering under this Act, this State shall impose and 23

- 1 collect 25% of the sports wagering licensee's and online sports
- 2 wagering licensee's adjusted gross sports wagering receipts
- 3 from sports wagering. The accrual method of accounting shall be
- 4 used for purposes of calculating the amount of the tax owed by
- 5 the licensee.
- 6 (b) The taxes levied and collected pursuant to subsection
- 7 (a) are due and payable to the Board no later than the last day
- 8 of the month following the calendar month in which the adjusted
- 9 gross sports wagering receipts were received and the tax
- 10 obligation was accrued.
- 11 (c) The Sports Wagering Fund is hereby created as a special
- fund in the State treasury and all moneys collected under this
- 13 Act by the Board shall be deposited into the Sports Wagering
- 14 Fund and then transferred in equal amounts to the State
- 15 Construction Account Fund, the Pension Stabilization Fund, and
- 16 the Common School Fund.
- 17 (d) For the privilege of holding a license to operate
- sports wagering under this Act and to compensate for the impact
- 19 that sports wagering will have on wagers on horse races, each
- 20 sports wagering licensee that derives its license from an
- 21 organization license or inter-track wagering location license
- 22 under the Illinois Horse Racing Act of 1975 shall monthly remit
- 23 2% of its adjusted gross sports wagering receipts to the Board.
- 24 The Board shall deposit the moneys into the Horse Racing Purse
- 25 Fund.

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Section 5-75. Official league data. A sports governing body may notify the Board that it desires to supply official league data to licensees for determining the results of tier 2 sports wagers. Such notification shall be made in the form and manner the Board may require. Within 30 days after such notification by a sports governing body, a sports wagering licensee, online sports wagering licensee, and sports wagering skin licensee shall use only official league data to determine the results of tier 2 sports wagers, unless the sports wagering licensee, online sports wagering licensee, or sports wagering skin licensee can demonstrate to the Board that the sports governing body or its designee cannot provide a feed of official league data to the sports wagering licensee, online sports wagering licensee, or sports wagering skin licensee on commercially reasonable terms.

Section 5-80. Royalties to sports governing bodies. Upon use of official league data approved by the Board, licensees shall remit to the Board within 30 days after the end of each calendar quarter a royalty of 0.20% of the amounts wagered on tier 2 sports wagers.

(1) The royalty shall be remitted on a form as the Board may require, on which the licensees shall identify the percentage of wagering during the reporting period attributable to each sports governing body's sports events.

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- (2) No later than April 30 of each year, a sports governing body may submit a request for disbursement funds remitted by licensees in the previous calendar year. The Board shall disburse the funds to the sports governing body in pro rata proportion of the total amount wagered on its sports events. No sports governing body is required to obtain a license from the Board in order to lawfully accept the funds provided for in this paragraph (2).
- (3) The Board shall annually publish a report stating the amount received from licensees in royalties and the amount paid to sports governing bodies.
- (4) Any unclaimed royalties shall be distributed to the licensees that timely remitted the royalties required under this Section to the Board. Such royalties shall be distributed to the eliqible licensees on a pro rata basis.

The Board shall cooperate with sports governing bodies and licensees to ensure the timely, efficient, and accurate sharing of information and the remittance of royalties to sports governing bodies or their designees.

Section 5-85. Sports wagering license to organization licensee in Madison County. The Board may not issue a sports wagering license to an organization licensee located in Madison County until it receives an executed copy of a contractual agreement between the organization licensee in Madison County and an owners licensee conducting riverboat gambling from a

- 1 home dock in the City of East St. Louis to operate sports
- wagering by the organization licensee in Madison County to 2
- support the continued viability of the City of East St. Louis' 3
- 4 local portion of gaming taxes generated by the owners licensee.
- Section 5-90. Voluntary self-exclusion program for sports 5
- wagering. Any resident, or non-resident if allowed to 6
- participate in sports wagering, may voluntarily prohibit 7
- 8 himself or herself from establishing a sports wagering account
- 9 with a licensee under this Act. The Board and Department shall
- 10 incorporate the voluntary self-exclusion program for sports
- wagering into any existing self-exclusion program that it 11
- 12 operates on the effective date of this Act.
- 13 Section 5-95. Prohibition on wagering Illinois on
- 14 collegiate teams within Illinois. No licensee under this Act
- may accept a wager for a sports event taking place in the State 15
- 16 involving an Illinois collegiate team.
- 17 Section 5-100. Social equity in the sports wagering
- 18 industry.
- 19 (a) In the interest of establishing a legal sports wagering
- 20 industry that is equitable and accessible to all business
- 21 owners in the State, including economically and socially
- 2.2 disadvantaged business owners, the General Assembly finds and
- 23 declares that:

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(1)	a	social	equit	ΣУ	program	in	the	legal	sports
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- (2) disadvantaged business owners in Illinois have disproportionately not participated in the reflected by the of industry, as lack minority ownership of participation in the any pari-mutuel racetracks in Illinois and 9 of the 10 riverboats in Illinois;
- (3) as a result of the lack of participation in the gambling industry, many disadvantaged business owners have suffered negative consequences, including financial loss, lack of access to capital, community disinvestment, and business failure;
- (4) a significant portion of gambling revenues have been generated by economically and socially vulnerable people living in disproportionately impacted areas;
- (5) economically and socially vulnerable people have also disproportionately suffered the harms associated with gambling, including addiction, illegal betting penalties, community disinvestment, and financial loss;
- (6) economically and socially vulnerable people living in disproportionately impacted areas suffer the harms associated with unemployment, poverty, and violence;
- (7) as a result of the harms suffered from gambling, many economically and socially disadvantaged people have suffered negative consequences, including barriers to

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1 employment, business ownership, housing, health, and long-term financial well-being; and 2

> (8) promotion of business ownership by disadvantaged business owners and individuals who have suffered negative consequences of gambling furthers an equitable legal sports wagering industry.

Therefore, in the interest of addressing the harms resulting from the exclusion of disadvantaged business owners in gambling, and ensuring that economically and socially vulnerable individuals have an equitable opportunity for healthy participation in the sports wagering industry, the General Assembly finds and declares that a social equity program should offer, among other things, funding to addiction programs, create access to jobs as well as offer financial assistance and license application benefits to disadvantaged business owners who are interested in obtaining licenses, and capital to operate within the legal sports wagering industry.

(b) In this Section:

"Disadvantaged business owners" include minority-owned and women-owned owned businesses.

"Disproportionately Impacted Area" means a census tract or comparable geographic area that satisfies the criteria as determined by the Department of Commerce and Economic Opportunity, that meets at least one of the following criteria:

(1) the area has a poverty rate of at least 20%

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1 according to the latest federal decennial census;

- (2) 5% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
- (3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
- (4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

"Ownership and control" means ownership of at least 51% of the business, including corporate stock if a corporation, and control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to percentage of ownership.

"Principal officer" includes a sports wagering business applicant or registered sports wagering business's board member, owner with more than 1% interest of the total sports wagering business or more than 5% interest of the total sports wagering business of a publicly traded company, president, vice president, secretary, treasurer, partner, officer, member, manager member, or person with a profit sharing, financial

- 1 interest, or revenue sharing arrangement. The definition
- 2 includes a person with authority to control the sports wagering
- 3 business, a person who assumes responsibility for the debts of
- 4 the sports wagering business and who is further defined in this
- 5 Act.
- 6 "Social Equity Applicant" means an applicant that is an
- Illinois resident that meets one of the following criteria: 7
- 8 (1) an applicant with at least 51% ownership and
- 9 control by one or more individuals who have resided for at
- 10 least 5 of the preceding 10 years in a Disproportionately
- 11 Impacted Area; or
- (2) for applicants with a minimum of 10 full-time 12
- 13 employees, an applicant with at least 51% of current
- 14 employees who currently reside in a Disproportionately
- 15 Impacted Area.
- 16 "Sports wagering licensee" means a licensee under this Act
- 17 that can not submit evidence to the Board that minority persons
- 18 and women hold ownership interest in a gaming facility of at
- 19 least 16% and 4%, respectively.
- 20 (c) The Department of Commerce and Economic Opportunity has
- 2.1 the power to:
- 22 (1) provide social equity loans and grants from
- appropriations from the General Revenue Fund to assist 23
- 24 Equity Applicants in gaining entry to,
- 25 successfully operating in, the State's regulated sports
- 26 wagering industry;

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- (2) enter into agreements that set forth terms and conditions of the financial assistance, accept funds, or grants, and engage in cooperation with private entities and agencies of State or local government to carry out the purposes of this Section;
- (3) fix, determine, charge, and collect any premiums, fees, charges, costs and expenses, including application fees, commitment fees, program fees, financing charges, and publication fees in connection with its activities under this Section;
- (4) coordinate assistance under this program with activities of the Department of Financial and Professional Regulation, the Board, and other agencies as needed to maximize the effectiveness and efficiency of this Act;
- (5) provide staff, administration, and related support required to administer this Section;
- (6) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance provided under this Section, including the ability to recapture funds if the recipient is found to be noncompliant with the terms and conditions of the financial assistance agreement;
- (7) establish application, notification, contract, and other forms, procedures, or rules deemed necessary and appropriate; and

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- 1 (8) utilize vendors or contract work to carry out the purposes of this Act. 2
 - Loans made under this Section:
 - (A) shall only be made if, in the Department of Commerce and Economic Opportunity's judgment, the project furthers the goals set forth in this Act; and
 - (B) shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinquency charges, default remedies, and other matters as the Department of Commerce and Economic Opportunity shall determine appropriate to protect the public interest and to be consistent with the purposes of this Section. The terms and provisions may be less than required for similar loans not covered by this Section.

Grants made under this Section shall be awarded on a competitive and annual basis under the Grant Accountability and Transparency Act. Grants made under this Section shall further and promote the goals of this Act, including promotion of Social Equity Applicants, job training and workforce development, and technical assistance to Social Equity Applicants.

Beginning January 1, 2021 and each year thereafter, the Department of Commerce and Economic Opportunity shall annually report to the Governor and the General Assembly on the outcomes and effectiveness of this action. The report shall include the

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- (i) the number of persons or businesses receiving 2 financial assistance under this Section; 3
 - (ii) the amount in financial assistance awarded in the aggregate, in addition to the amount in loans made that are outstanding and the amount of grants awarded;
 - (iii) the location of the project engaged in by the person or business; and
 - (iv) if applicable, the number of new jobs and other forms of economic output created as a result of the financial assistance.
 - The Department of Commerce and Economic Opportunity shall include engagement with individuals with limited English proficiency as part of its outreach provided or targeted to attract and support Social Equity Applicants.
 - (e) The Board and other appropriate State agencies shall waive 75% of any nonrefundable license application fees, any nonrefundable fees associated with applying for a license to operate a sports wagering business, and any surety bond or other financial requirements, provided a Social Equity Applicant meets the following qualifications at the time the payment is due:
- 23 (1) the applicant, including all individuals 24 entities with 10% or greater ownership and all parent 25 companies, subsidiaries, and affiliates, has less than a 26 total of \$1,000,000 of income in the previous calendar

year; and 1

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(2) the applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has no more than 2 other licenses for sports wagering businesses in the State of Illinois.

The Department of Financial and Professional Regulation and the Board may require Social Equity Applicants to attest that they meet the requirements for a fee waiver as provided in this subsection and to provide evidence of annual total income in the previous calendar year.

The Department of Financial and Professional Regulation and the Board shall be compensated at an equal amount to any fees waived under this subsection from moneys in the General Revenue Fund.

If the Department of Financial and Professional Regulation or the Board determines that an applicant who applied as a Social Equity Applicant is not eligible for such status, the applicant shall be provided an additional 10 days to provide alternative evidence that he or she qualifies as a Social Equity Applicant. Alternatively, the applicant may pay the remainder of the waived fee and be considered as a non-Social Equity Applicant. If the applicant cannot do either, then the Department of Financial and Professional Responsibility or Board may keep the initial application fee and the application shall not be graded.

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(f) In the event a Social Equity Applicant seeks to
transfer, sell, or grant a sports wagering business license
within 5 years after it was issued to a person or entity that
does not qualify as a Social Equity Applicant, the transfer
agreement shall require the new license holder to pay to the
Board an amount equal to the following, which shall be
deposited into the Sports Wagering Business Development Fund:

- (1) any fees that were waived by any State agency based on the applicant's status as a Social Equity Applicant, if applicable;
- (2) any outstanding amount owed by the qualified Social Equity Applicant for a loan through the Sports Wagering Business Development Fund, if applicable; and
- (3) the full amount of any grants that the qualified Social Equity Applicant received from the Department of Commerce and Economic Opportunity, if applicable.

Transfers of establishment licenses awarded to a Social Equity Applicant are subject to all other provisions of this Act and rules regarding transfers.

(g) By January 1, 2021 and on January 1 of every year thereafter, or upon request by the Board, each sports wagering business licensed under this Act shall report to the Board, on a form to be provided by the Board, information that will allow it to assess the extent of diversity in the legal sports wagering industry and methods for reducing or eliminating any identified barriers to entry, including access to capital. The

1	information	shall	include.
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- (1) the number and percentage of licenses provided to businesses owned by minorities, women, veterans, and people with disabilities;
 - (2) the total number and percentage of employees in the sports wagering industry who are minorities, women, veterans, or people with disabilities; and
 - (3) recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the sports wagering industry.
- (h) A sports wagering licensee shall identify 2 of the following Social Equity Inclusion Plans to be completed by March 31, 2021 and annually thereafter:
 - (1) make a contribution of 3% of total sales from June 1, 2018 to June 1, 2019 or \$1,000,000, whichever is more, to the Sports Wagering Business Development Fund;
 - (2) make a grant of 3% of total sales from June 1, 2018 to June 1, 2019 or \$500,000, whichever is more, to a sports wagering industry training or education program at an Illinois community college as defined in the Public Community College Act;
 - (3) make a donation of \$500,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area;
 - (4) participate as a host in a business incubator

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program approved by the Department of Commerce and Economic Opportunity, and in which a sports wagering licensee agrees to provide a loan of at least \$2,000,000 and mentorship to incubate a licensee that qualifies as a Social Equity Applicant for at least a year. As used in this paragraph "incubate" means providing direct financial assistance and training necessary to engage in licensed sports wagering activity similar to that of the host licensee. The sports wagering licensee or the same entity holding any other licenses issued pursuant to this Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply with this subsection. If a sports wagering licensee fails to find a business to incubate to comply with this subsection before its license expires, it may opt to meet the requirement of this subsection by completing another item from this subsection; or

(5) participate in a sponsorship program approved by the Department of Commerce and Economic Opportunity in which a sports wagering licensee agrees to provide an interest-free loan of at least \$2,000,000 to a Social Equity Applicant for at least 2 years. The sponsor shall not take an ownership stake in a sports wagering business receiving sponsorship services to comply with this subsection.

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- 1 Section 5-101. Sports Wagering Business Development Fund.
 - (a) There is created in the State treasury a special fund, which shall be held separate and apart from all other State moneys, to be known as the Sports Wagering Business Development Fund. The Sports Wagering Business Development Fund shall be exclusively used for the following purposes:
 - (1) to provide low-interest rate loans to Social Equity Applicants to pay for ordinary and necessary expenses to start and operate an online sports wagering business permitted by this Act;
 - (2) to provide grants to Qualified Social Equity Applicants to pay for ordinary and necessary expenses to start and operate an online sports wagering business permitted by this Act;
 - (3) to compensate the Department of Commerce and Economic Opportunity for any costs related to the provision of low-interest loans and grants to Qualified Social Equity Applicants;
 - (4) to pay for outreach that may be provided or targeted to attract and support Social Equity Applicants;
 - (5) to conduct any study or research concerning the participation of minorities, women, veterans, or persons with disabilities in the gaming industry, including, without limitation, barriers to such individuals entering the industry as equity owners of gaming facilities; and
 - to assist with job training and technical (6)

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- 1 assistance for residents in Disproportionately Impacted 2 Areas.
- 3 As soon as practical after July 1, 2019, 4 Comptroller shall order and the Treasurer shall make the 5 following transfers to the Sports Wagering Business Development Fund: 6
 - (1) an amount equal to one-sixth of the tax imposed under Section 60 the Video Gaming Act (from the amounts deposited into the Capital Projects Fund) shall be transferred from the Capital Projects Fund;
 - (2) \$12,000,000 shall be transferred from the State Gaming Fund; and
- 13 (3) \$1,000,000 shall be transferred from the Horse 14 Racing Fund.
 - (c) Notwithstanding any other law to the contrary, the Sports Wagering Development Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Sports Wagering Business Development Fund into any other fund of the State.
- 21 Section 5-102. Loans and grants to Social Equity 22 Applicants.
- 23 (a) The Department of Commerce and Economic Opportunity shall establish grant and loan programs, subject 24 25 appropriations from the Sports Wagering Business Development

- Fund, for the purposes of providing financial assistance, 1
- loans, grants, and technical assistance to Social Equity 2
- 3 Applicants.

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- 4 (b) The Department of Commerce and Economic Opportunity has 5 the power to:
 - (1) provide sports wagering social equity loans and grants from appropriations from the Sports Wagering Business Development Fund to assist Social Applicants in gaining entry to, and successfully operating in, the State's regulated sports wagering marketplace;
 - (2) enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with private entities and agencies of State or local government to carry out the purposes of this Section;
 - (3) fix, determine, charge, and collect any premiums, fees, charges, costs and expenses, including application fees, commitment fees, program fees, financing charges, or publication fees in connection with its activities under this Section;
 - (4) coordinate assistance under these loan programs with activities of the Illinois Department of Financial and Professional Regulation, the Board, and other agencies as needed to maximize the effectiveness and efficiency of this Act;
 - (5) provide staff, administration, and related support

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required to administer this Section;

- (6) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance provided under this Section, including the ability to recapture funds if the recipient is found to be noncompliant with the terms and conditions of the financial assistance agreement;
- (7) establish application, notification, contract, and other forms, procedures, or rules deemed necessary and appropriate; and
- (8) utilize vendors or contract work to carry out the purposes of this Act.
- (c) Loans made under this Section:
- (1) shall only be made if, in the Board's judgment, the project furthers the goals set forth in this Act; and
- (2) shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinguency charges, remedies, and other matters as the Board shall determine appropriate to protect the public interest and to be consistent with the purposes of this Section. The terms and provisions may be less than required for similar loans not covered by this Section.
- (d) Grants made under this Section shall be awarded on a competitive and annual basis under the Grant Accountability and

- 1 Transparency Act. Grants made under this Section shall further
- and promote the goals of this Act, including promotion of 2
- 3 Social Equity Applicants, job training and workforce
- 4 development, and technical assistance to Social Equity
- 5 Applicants.
- (e) Beginning January 1, 2021 and each year thereafter, the 6
- Board shall annually report to the Governor and the General 7
- 8 Assembly on the outcomes and effectiveness of this Section that
- 9 shall include the following:
- 10 (1) the number of persons or businesses receiving
- 11 financial assistance under this Section:
- (2) the amount in financial assistance awarded in the 12
- 13 aggregate, in addition to the amount of loans made that are
- 14 outstanding and the amount of grants awarded;
- 15 (3) the location of the project engaged in by the
- 16 person or business; and
- 17 (4) if applicable, the number of new jobs and other
- forms of economic output created as a result of the 18
- financial assistance. 19
- 20 (f) The Department of Commerce and Economic Opportunity
- 2.1 shall include engagement with individuals with limited English
- 22 proficiency as part of its outreach provided or targeted to
- 23 attract and support Social Equity Applicants.
- 24 Section 5-105. Community program.
- 25 (a) The General Assembly finds that in order to address the

- 1 disparities described in subsection (a) of Section 5-100,
- aggressive approaches and targeted resources to support local 2
- 3 design and control of community-based responses to these
- 4 outcomes are required. To carry out this intent, a program is
- 5 created for the following purposes:
- (1) to directly address the impact of economic 6 disinvestment by providing resources to support local 7 8 design and control of community-based responses to these
- 9 impacts;
- 10 (2) to substantially reduce concentrated poverty in
- 11 this State:
- (3) to protect communities from economic disinvestment 12
- 13 through targeted investments and intervention programs,
- 14 including economic growth and public health prevention
- 15 activities;
- 16 (4) to promote employment infrastructure and capacity
- building related to the social determinants of health in 17
- 18 the eligible community areas.
- In this Section, "Authority" means the Illinois 19 (b)
- 20 Criminal Justice Information Authority.
- (c) Eligibility of Qualified Areas. Within 60 days after 2.1
- the effective date of this Act, the Authority shall identify 22
- 23 eligible areas in this State by way of historically recognized
- 24 geographic boundaries, to be designated by the program board as
- 25 Qualified Areas and therefore eligible to apply for program
- 26 funding. Local groups within Qualified Areas will be eligible

- 1 to apply for State funding through the program board.
- Qualifications for designation as a Qualified Area are as 2
- follows: 3

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- (1) Based on an analysis of data, communities in this State that are high need, underserved, disproportionately historical economic impacted by disinvestment, unemployment, child poverty rates, and commitments to and returns from the Department of Corrections.
 - (2) The Authority shall send to the Legislative Audit Commission and make publicly available its analysis and identification of eligible Qualified Areas and shall recalculate the eligibility data every 4 years. On an annual basis, the Authority shall analyze data and indicate if data covering any Qualified Area or portion of a Qualified Area has, for 4 consecutive years, substantially deviated from the average of statewide data on which the original calculation was made to determine the Qualified Areas, including disinvestment, unemployment, child poverty rates, addiction, or commitments to or returns from the Department of Corrections.
- The program board shall encourage collaborative (d) partnerships within each Qualified Area to minimize multiple partnerships per Qualified Area.
- (e) The program board is created and shall reflect the diversity of the State of Illinois, including geographic, racial, and ethnic diversity. Using the data provided by the

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- Authority, the program board shall be responsible 1 designating the Qualified Area boundaries and for the selection 2 3 and oversight of Qualified Area grantees. The following program 4 board co-chairs and members shall, within 4 months after the 5 effective date of this Act, convene the program board to appoint a full program board and oversee, provide guidance to, 6 7 and develop an administrative structure for the program:
- 8 (1) The Governor, or his or her designee, who shall 9 serve as co-chair.
 - (2) The Director of Commerce and Economic Opportunity, or his or her designee.
 - (3) The Chairman of the Illinois Gaming Board, or his or her designee.
 - (4)The Director of Corrections, or his or her designee.
 - (5) The Executive Director of the Illinois Criminal Justice Information Authority, or his or her designee.
 - (6) The Director of Employment Security, or his or her designee.
 - (7) The Secretary of Human Services, or his or her designee.
 - (8) A member of the Senate, designated by the President of the Senate.
 - A member of the House of Representatives, designated by the Speaker of the House of Representatives.
 - (10) A member of the Senate, designated by the Minority

1 Leader of the Senate.

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- (11) A member of the House of Representatives, 2 3 designated by the Minority Leader of the House of 4 Representatives.
 - Within 60 days after the Qualified Areas have been designated by the program board, the following members shall be appointed to the program board by the members identified in paragraphs (1) through (12) of this subsection (e):
 - (i) The highest elected public officials of municipal geographic jurisdictions in the State that include a Qualified Area, or their designees;
 - Five community-based providers or community development organization representatives who services to treat violence and address the determinants of health, or promote community investment, including, but not limited to, services such as job placement and training, educational services, workforce development programming, and wealth building. community-based organization representatives shall work primarily in jurisdictions that include a Qualified Area, and no more than 2 representatives shall work primarily in Cook County and at least one representative shall work primarily in St. Clair County;
 - (iii) Two experts in the field of addiction;
 - (iv) One male who is an expert in the gaming industry;
 - (v) One female who is an expert in the gaming industry;

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- who have previously been 2 (vi) Twoindividuals incarcerated between the ages of 17 and 24 at time of 3 4 appointment.
- 5 Program board members shall serve without compensation and may be reimbursed for reasonable expenses incurred in the 6 performance of their duties from funds appropriated for that 7 8 purpose. Once all its members have been appointed as outlined 9 in paragraphs (i) through (vi) of this subsection (e), the 10 program board may exercise any power, perform any function, 11 take any action, or do anything in furtherance of its purposes and goals upon the appointment of a quorum of its members. The 12 13 terms of the members identified in paragraphs (i) through (vi) 14 of this subsection (e) and General Assembly Board members shall 15 be 4 years.
- 16 (f) Within 12 months after the effective date of this Act, 17 the program board shall:
 - (1) develop a process to solicit applications from eligible Qualified Areas;
 - (2) develop a standard template for both planning and implementation activities to be submitted by Qualified Areas to the State;
 - (3) identify resources sufficient to support the full administration and evaluation of the program, including building and sustaining core program capacity at the community and State levels;

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- (4) review Qualified Area grant applications and proposed agreements and approve the distribution of resources;
- (5) identify and fund an organization or organizations to provide training and technical assistance to Qualified Area applicants or grantees who may need capacity building support, including data collection support. The identified organization or organizations may serve as a fiscal agent for the purpose of ensuring that potential applicants in eligible Qualified Areas are not deemed ineligible;
- (6) develop a performance measurement system that focuses on positive outcomes and includes, but is not limited to: key performance indicators related to: the determinants of health; the root social causes of addiction; outreach, intervention, and support individuals at highest risk of addiction; and decreasing the use of and impacts of a historical overuse of criminal justice responses, incarceration, and correctional control;
- (7) develop a process to support ongoing monitoring and evaluation of the program; and
- (8) deliver an annual report to the General Assembly and to the Governor to be posted on the Governor's Office and General Assembly websites and provide to the public an annual report on its progress.
- (g) Qualified Area grants.

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(1) Grant funds shall be awarded by the program boar
based on the likelihood that the plan will achieve the
outcomes outlined in subsection (a) and consistent with the
requirements of the Grant Accountability and Transparenc
Act. The program shall also facilitate the provision o
training and technical assistance for capacity buildin
within and among Qualified Areas.

- (2) Recipients of program board grants shall, within the first 3 to 6 months of operation:
 - (A) use data analysis and community input to assess: the needs and assets of the community and identify the issue or problems to be addressed related to the social determinants of health; the root causes of addiction; and outreach, intervention, and support for individuals at highest risk of addiction;
 - identify and use models, programs, interventions that have a basis in evidence or best practice research for addressing needs and supporting assets related to: the social determinants of health; the root causes of addiction; and outreach, intervention, and support for individuals at highest risk of addiction;
 - (C) develop programming that will reduce the use of the criminal justice system to reduce addiction and increase public safety; and
 - (D) develop performance measures that track the

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outcomes to be achieved. 1

- (3) The program board and the Qualified Area grantees shall, within a period of no more than 2 months from the completion of planning activities described in Section, finalize an agreement on the plan implementation. Implementation activities shall:
 - (A) have a basis in evidence or best practice research or have evaluations demonstrating the capacity to address: needs and support assets related to the social determinants of health; the root causes of addiction; and outreach, intervention, and support for individuals at highest risk of addiction; to produce desired outcomes;
 - (B) include collection of data from the inception of planning activities through implementation, with data collection technical assistance when needed, including cost data and data related to identified meaningful short-term, mid-term, and long-term goals and metrics;
 - (C) include reporting data to the program board biannually; and
 - (D) set aside a percentage of the total grant for core program capacity to support effective implementation to include:
 - (i) Dedicated staff at the community level to administer and coordinate the program.

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1	(ii)	Data colle	ection te	chnolo	gy and	sta	ff to
2	facilitat	te feedback	between	the	State	and	local
3	stakeholo	ders.					

- (iii) Monitoring and evaluation.
- (iv) Engagement in training and technical assistance with other Qualified Area grantees from State and other sources, including peer learning and cross training from other programs.
- 9 Section 5-110. Supplier diversity goals.
 - (a) The public policy of this State is to collaboratively work with companies that serve Illinois residents to improve their supplier diversity in a non-antagonistic manner.
 - (b) The Board shall require all licensees under this Act to submit an annual report by April 15, 2020 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year. These goals shall be expressed as a percentage of the total work performed by the entity submitting the report, and the actual spending for all female-owned, minority-owned, veteran-owned, and business enterprises shall also be expressed as a percentage of the total work performed by the entity submitting the report.
 - (c) Each licensee in its annual report shall include the following information:

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1	(1)	an	explanation	of	the	plan	for	the	next	year	to
2	increase	e pa	rticipation;								

- (2) an explanation of the plan to increase the goals;
- (3) the areas of procurement each licensee shall be actively seeking more participation in the next year;
- (4) an outline of the plan to alert and encourage potential vendors in that area to seek business from the licensee;
- (5) an explanation of the challenges faced in finding quality vendors and offer any suggestions for what the Board could do to be helpful to identify those vendors;
- (6) a list of the certifications the licensee recognizes;
- (7) the point of contact for any potential vendor who wishes to do business with the licensee and explain the process for a vendor to enroll with the licensee as a minority-owned, women-owned, or veteran-owned company; and
- (8) any particular success stories to encourage other licensee to emulate best practices.
- (d) Each annual report shall include as much State-specific data as possible. If the submitting entity does not submit State-specific data, then the licensee shall include any national data it does have and explain why it could not submit State-specific data and how it intends to do so in future reports, if possible.
- (e) Each annual report shall include the rules,

- 1 regulations, and definitions used for the procurement goals in the licensee's annual report. 2
- (f) The Board and all licensees shall hold an annual 3 4 workshop open to the public in 2020 and every year thereafter 5 on the state of supplier diversity to collaboratively seek 6 solutions to structural impediments to achieving stated goals, including testimony from each licensee as well as subject 7 8 matter experts and advocates. The Board shall publish a 9 database on its website of the point of contact for each 10 licensee for supplier diversity, along with a list of 11 certifications each licensee recognizes from the information submitted in each annual report. The Board shall publish each 12 13 annual report on its website and shall maintain each annual 14 report for at least 5 years.
- 15 Section 5-115. Report to General Assembly. On or before January 15, 2023, the Board shall provide a report to the 16 17 General Assembly on sports wagering conducted under this Act 18 during the 3 years following the effective date of this Act.
- Article 900. Amendatory Provisions 19
- Section 900-1. The Illinois Administrative Procedure Act 20 is amended by changing Section 5-45 as follows: 21
- 22 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

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- 1 Sec. 5-45. Emergency rulemaking.
 - (a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.
 - (b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.
 - (c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency

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rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

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- (d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.
- (e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.
 - (f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget,

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emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

- (q) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.
- (h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be

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adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

- (i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.
- (j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in

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accordance with this Section by the agency charged with administering that provision, except that the limitation on the adoption of emergency rules provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of

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- 1 emergency rules authorized by this subsection (k) shall be 2 deemed to be necessary for the public interest, safety, and welfare. 3
 - (1) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (1) shall be deemed to be necessary for the public interest, safety, and welfare.
 - (m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social

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- 1 Security Act. The adoption of emergency rules authorized by 2 this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare. 3
 - (n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.
 - (o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the

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effective date of Public Act 96-958) through June 30, 2011.

- (p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.
- (q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.
 - (r) In order to provide for the expeditious and timely

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1 implementation of the provisions of Public Act 98-651, 2 emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of 3 4 Healthcare and Family Services. The 24-month limitation on the 5 adoption of emergency rules does not apply to rules adopted 6 under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for 7 the public interest, safety, and welfare. 8

- (s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.
- (t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the

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- 1 Department of State Police. The rulemaking authority granted in 2 this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption 3 4 of emergency rules does not apply to rules adopted under this 5 subsection (t). The adoption of emergency rules authorized by 6 this subsection (t) is deemed to be necessary for the public interest, safety, and welfare. 7
 - (u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.
 - (v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.
 - (w) In order to provide for the expeditious and timely

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- implementation of the provisions of Public Act 99-796, 1 2 emergency rules to implement the changes made by Public Act 3 99-796 may be adopted in accordance with this subsection (w) by 4 Adjutant General. The adoption of emergency rules
- 5 authorized by this subsection (w) is deemed to be necessary for
- 6 the public interest, safety, and welfare.
 - (x) In order to provide for the expeditious and timely implementation of the provisions of Public Act emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.
 - (y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted

- 2 Department. The adoption of emergency rules authorized by this

in accordance with this subsection (y) by the respective

- 3 subsection (y) is deemed to be necessary for the public
- 4 interest, safety, and welfare.
- 5 (z) In order to provide for the expeditious and timely
- 6 implementation of the provisions of Public Act 100-554,
- 7 emergency rules to implement the changes made by Public Act
- 8 100-554 to Section 4.7 of the Lobbyist Registration Act may be
- 9 adopted in accordance with this subsection (z) by the Secretary
- of State. The adoption of emergency rules authorized by this
- 11 subsection (z) is deemed to be necessary for the public
- interest, safety, and welfare.
- 13 (aa) In order to provide for the expeditious and timely
- initial implementation of the changes made to Articles 5, 5A,
- 15 12, and 14 of the Illinois Public Aid Code under the provisions
- of Public Act 100-581, the Department of Healthcare and Family
- 17 Services may adopt emergency rules in accordance with this
- 18 subsection (aa). The 24-month limitation on the adoption of
- 19 emergency rules does not apply to rules to initially implement
- 20 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
- 21 Public Aid Code adopted under this subsection (aa). The
- adoption of emergency rules authorized by this subsection (aa)
- is deemed to be necessary for the public interest, safety, and
- 24 welfare.
- 25 (bb) In order to provide for the expeditious and timely
- implementation of the provisions of Public Act 100-587,

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emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

- (cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.
- (dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864,

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1 emergency rules to implement the changes made by Public Act 2 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the 3 4 Secretary of State. The adoption of emergency rules authorized 5 by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare. 6

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) (ce) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of <u>Public Act 100-1181</u> this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection (ff) (ee). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection (ff) (ee). The adoption of emergency rules authorized by this subsection (ff) (ee) is deemed to be necessary for the public

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1 interest, safety, and welfare.

> (qq) (ff) In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection (gg) (ff) to implement the changes made by Public Act 101-1 this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection (gg) (ff) is deemed to be necessary for the public interest, safety, and welfare.

> (hh) In order to provide for the expeditious and timely implementation of the Sporting Contest Safety and Integrity Act, emergency rules to implement the Sporting Contest Safety and Integrity Act may be adopted in accordance with this subsection (hh) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (hh) is deemed to be necessary for the public interest, safety, and welfare.

> (ii) In order to provide for the expeditious and timely implementation of the Sports Wagering Act, emergency rules to implement the Sports Wagering Act may be adopted in accordance with this subsection (ii) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (ii) is deemed to be necessary for the public interest, safety, and welfare.

25 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;

100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 26

- 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 1
- 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 2
- 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.) 3
- 4 Section 900-5. The State Finance Act is amended by adding
- 5 Sections 5.891 and 5.893 as follows:
- 6 (30 ILCS 105/5.891 new)
- 7 Sec. 5.891. The Sports Wagering Fund.
- 8 (30 ILCS 105/5.893 new)
- Sec. 5.893. The Horse Racing Purse Fund. 9
- 10 Section 900-10. The Riverboat Gambling Act is amended by
- 11 changing Section 13 and by adding Section 54.25 as follows:
- (230 ILCS 10/13) (from Ch. 120, par. 2413) 12
- Sec. 13. Wagering tax; rate; distribution. 13
- (a) Until January 1, 1998, a tax is imposed on the adjusted 14
- 15 gross receipts received from gambling games authorized under
- this Act at the rate of 20%. 16
- (a-1) From January 1, 1998 until July 1, 2002, a privilege 17
- 18 tax is imposed on persons engaged in the business of conducting
- 19 riverboat gambling operations, based on the adjusted gross
- 20 receipts received by a licensed owner from gambling games
- 21 authorized under this Act at the following rates:

1	15% of annual adjusted gross receipts up to and
2	including \$25,000,000;
3	20% of annual adjusted gross receipts in excess of
4	\$25,000,000 but not exceeding \$50,000,000;
5	25% of annual adjusted gross receipts in excess of
6	\$50,000,000 but not exceeding \$75,000,000;
7	30% of annual adjusted gross receipts in excess of
8	\$75,000,000 but not exceeding \$100,000,000;
9	35% of annual adjusted gross receipts in excess of
10	\$100,000,000.
11	(a-2) From July 1, 2002 until July 1, 2003, a privilege tax
12	is imposed on persons engaged in the business of conducting
13	riverboat gambling operations, other than licensed managers
14	conducting riverboat gambling operations on behalf of the
15	State, based on the adjusted gross receipts received by a
16	licensed owner from gambling games authorized under this Act at
17	the following rates:
18	15% of annual adjusted gross receipts up to and
19	including \$25,000,000;
20	22.5% of annual adjusted gross receipts in excess of
21	\$25,000,000 but not exceeding \$50,000,000;
22	27.5% of annual adjusted gross receipts in excess of
23	\$50,000,000 but not exceeding \$75,000,000;
24	32.5% of annual adjusted gross receipts in excess of
25	\$75,000,000 but not exceeding \$100,000,000;
26	37.5% of annual adjusted gross receipts in excess of

1	\$100,000,000 but not exceeding \$150,000,000;
2	45% of annual adjusted gross receipts in excess of
3	\$150,000,000 but not exceeding \$200,000,000;
4	50% of annual adjusted gross receipts in excess of
5	\$200,000,000.
6	(a-3) Beginning July 1, 2003, a privilege tax is imposed or
7	persons engaged in the business of conducting riverboat
8	gambling operations, other than licensed managers conducting
9	riverboat gambling operations on behalf of the State, based or
10	the adjusted gross receipts received by a licensed owner from
11	gambling games authorized under this Act at the following
12	rates:
13	15% of annual adjusted gross receipts up to and
14	including \$25,000,000;
15	27.5% of annual adjusted gross receipts in excess of
16	\$25,000,000 but not exceeding \$37,500,000;
17	32.5% of annual adjusted gross receipts in excess of
18	\$37,500,000 but not exceeding \$50,000,000;
19	37.5% of annual adjusted gross receipts in excess of
20	\$50,000,000 but not exceeding \$75,000,000;
21	45% of annual adjusted gross receipts in excess of
22	\$75,000,000 but not exceeding \$100,000,000;
23	50% of annual adjusted gross receipts in excess of
24	\$100,000,000 but not exceeding \$250,000,000;
25	70% of annual adjusted gross receipts in excess of
26	\$250,000,000.

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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, 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;

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22.5% of annual adjusted gross receipts in excess of

2	\$25,000,000 but not exceeding \$50,000,000;
3	27.5% of annual adjusted gross receipts in excess of
4	\$50,000,000 but not exceeding \$75,000,000;
5	32.5% of annual adjusted gross receipts in excess of
6	\$75,000,000 but not exceeding \$100,000,000;
7	37.5% of annual adjusted gross receipts in excess of
8	\$100,000,000 but not exceeding \$150,000,000;
9	45% of annual adjusted gross receipts in excess of
10	\$150,000,000 but not exceeding \$200,000,000;
11	50% of annual adjusted gross receipts in excess of
12	\$200,000,000.
13	(a-8) Riverboat gambling operations conducted by a
14	licensed manager on behalf of the State are not subject to the
15	tax imposed under this Section.

(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

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

the licensed owner to the Board not later than 5:00 o'clock

p.m. of the day after the day when the wagers were made.

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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 the effective date of 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

- 1 threat to the health and safety of patrons. If an owners
- licensee pays an amount in excess of its liability under this 2
- 3 Section, the Board shall apply the overpayment to future
- 4 payments required under this Section.
- 5 For purposes of this subsection (a-15):
- "Act of God" means an incident caused by the operation of 6
- an extraordinary force that cannot be foreseen, that cannot be 7
- 8 avoided by the exercise of due care, and for which no person
- 9 can be held liable.
- 10 "Base amount" means the following:
- 11 For a riverboat in Alton, \$31,000,000.
- For a riverboat in East Peoria, \$43,000,000. 12
- 13 For the Empress riverboat in Joliet, \$86,000,000.
- 14 For a riverboat in Metropolis, \$45,000,000.
- 15 For the Harrah's riverboat in Joliet, \$114,000,000.
- 16 For a riverboat in Aurora, \$86,000,000.
- For a riverboat in East St. Louis, \$48,500,000. 17
- 18 For a riverboat in Elgin, \$198,000,000.
- 19 "Dormant license" has the meaning ascribed to it in
- 20 subsection (a-3).
- "Net privilege tax" means all privilege taxes paid by a 2.1
- 22 licensed owner to the Board under this Section, less all
- 23 payments made from the State Gaming Fund pursuant to subsection
- 24 (b) of this Section.
- 25 The changes made to this subsection (a-15) by Public Act
- 26 94-839 are intended to restate and clarify the intent of Public

- 1 Act 94-673 with respect to the amount of the payments required
- 2 to be made under this subsection by an owners licensee to the
- Board. 3
- 4 (b) Until January 1, 1998, 25% of the tax revenue deposited
- 5 in the State Gaming Fund under this Section shall be paid,
- subject to appropriation by the General Assembly, to the unit 6
- of local government which is designated as the home dock of the 7
- riverboat. Beginning January 1, 1998, from the tax revenue 8
- deposited in the State Gaming Fund under this Section, an 9
- 10 amount equal to 5% of adjusted gross receipts generated by a
- 11 riverboat shall be paid monthly, subject to appropriation by
- the General Assembly, to the unit of local government that is 12
- 13 designated as the home dock of the riverboat. From the tax
- 14 revenue deposited in the State Gaming Fund pursuant to
- 15 riverboat gambling operations conducted by a licensed manager
- 16 on behalf of the State, an amount equal to 5% of adjusted gross
- receipts generated pursuant to those riverboat gambling 17
- operations shall be paid monthly, subject to appropriation by 18
- the General Assembly, to the unit of local government that is 19
- 20 designated as the home dock of the riverboat upon which those
- 2.1 riverboat gambling operations are conducted.
- 22 (c) Appropriations, as approved by the General Assembly,
- 23 may be made from the State Gaming Fund to the Board (i) for the
- 24 administration and enforcement of this Act and the Video Gaming
- 25 Act, (ii) for distribution to the Department of State Police
- 26 and to the Department of Revenue for the enforcement of this

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1 Act, and (iii) to the Department of Human Services for the 2 administration of programs to treat problem gambling, 3 including problem gambling from sports wagering.

(c-5) Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% 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 from the State Gaming Fund into the Horse Racing Equity Fund.

(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

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- 1 conducting riverboat gambling operations pursuant to an owners
- license that is initially issued after June 25, 1999, or (3)
- 3 the first riverboat gambling operations conducted by a licensed
- 4 manager on behalf of the State under Section 7.3, whichever
- 5 comes first, shall be paid, subject to appropriation from the
- 6 General Assembly, from the State Gaming Fund to each home rule
- 7 county with a population of over 3,000,000 inhabitants for the
- 8 purpose of enhancing the county's criminal justice system.
- 9 (c-20) Each year the General Assembly shall appropriate
- 10 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
- 13 subsection (c-15) in the prior calendar year.
- 14 (c-25) On July 1, 2013 and each July 1 thereafter,
- 15 \$1,600,000 shall be transferred from the State Gaming Fund to
- 16 the Chicago State University Education Improvement Fund.
- 17 (c-30) On July 1, 2013 or as soon as possible thereafter,
- \$92,000,000 shall be transferred from the State Gaming Fund to
- 19 the School Infrastructure Fund and \$23,000,000 shall be
- 20 transferred from the State Gaming Fund to the Horse Racing
- 21 Equity Fund.
- 22 (c-35) Beginning on July 1, 2013, in addition to any amount
- 23 transferred under subsection (c-30) of this Section,
- \$5,530,000 shall be transferred monthly from the State Gaming
- 25 Fund to the School Infrastructure Fund.
- 26 (d) From time to time, the Board shall transfer the

- remainder of the funds generated by this Act into the Education 1
- Assistance Fund, created by Public Act 86-0018, of the State of 2
- Illinois. 3
- 4 (e) Nothing in this Act shall prohibit the unit of local
- 5 government designated as the home dock of the riverboat from
- entering into agreements with other units of local government 6
- in this State or in other states to share its portion of the 7
- 8 tax revenue.
- 9 (f) To the extent practicable, the Board shall administer
- 10 and collect the wagering taxes imposed by this Section in a
- 11 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 12
- 13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
- 14 Penalty and Interest Act.
- 15 (Source: P.A. 98-18, eff. 6-7-13.)
- (230 ILCS 10/54.25 new) 16
- 17 Sec. 54.25. Horse Racing Purse Fund. There is created a
- 18 fund to be known as the Horse Racing Purse Fund, which is a
- non-appropriated trust fund held separate and apart from State 19
- 20 moneys. The Fund shall consist of moneys paid into it by sports
- 21 wagering licensees under subsection (d) of Section 5-70 of the
- 22 Sports Wagering Act for the purposes described in this Section.
- 23 The Fund shall be administered by the Board. Moneys in the Fund
- 24 shall be distributed to organization licensees, based on the
- percentage of live racing days each organization licensee 25

- conducted in the previous year to the total number of live 1
- racing days for all organization licensees, for distribution by 2
- 3 organization licensees at their race meetings as purses. The
- 4 moneys distributed shall be certified by the Board.
- 5 Section 900-15. The Criminal Code of 2012 is amended by
- changing Sections 28-1, 28-3, and 28-5 as follows: 6
- 7 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)
- 8 Sec. 28-1. Gambling.
- 9 (a) A person commits gambling when he or she:
- (1) knowingly plays a game of chance or skill for money 10
- 11 or other thing of value, unless excepted in subsection (b)
- 12 of this Section;
- 13 (2) knowingly makes a wager upon the result of any
- game, contest, or any political nomination, appointment or 14
- election: 15
- 16 (3) knowingly operates, keeps, owns, uses, purchases,
- 17 exhibits, rents, sells, bargains for the sale or lease of,
- 18 manufactures or distributes any gambling device;
- (4) contracts to have or give himself or herself or 19
- 20 another the option to buy or sell, or contracts to buy or
- 21 sell, at a future time, any grain or other commodity
- 22 whatsoever, or any stock or security of any company, where
- 23 it is at the time of making such contract intended by both
- 24 parties thereto that the contract to buy or sell, or the

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option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or quarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

- (5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;
- (6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;
- (7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lotterv:
- (8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers

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any policy ticket, slip, record, document or other similar device:

- (9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;
- (10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;
- (11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or
- (12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, election by means of the Internet. This item (12) does not

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- apply to activities referenced in items (6), and (6.1), and 1 (15) of subsection (b) of this Section. 2
 - (b) Participants in any of the following activities shall not be convicted of gambling:
 - (1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or quaranty and life or health or accident insurance.
 - (2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.
 - (3) Pari-mutuel betting as authorized by the law of this State.
 - (4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.
 - (5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.
 - (6) Lotteries when conducted by the State of Illinois

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1	in accordance with the Illinois Lottery Law. This exemption
2	includes any activity conducted by the Department of
3	Revenue to sell lottery tickets pursuant to the provisions
4	of the Illinois Lottery Law and its rules.

- (6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.
- (7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b) (7), an antique slot machine is one manufactured 25 years ago or earlier.
- (8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.
- (9) Charitable games when conducted in accordance with the Charitable Games Act.
- (10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.
- (11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.
- (12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed establishment when conducted in accordance with the Video Gaming Act.

- 1 (13) Games of skill or chance where money or other things of value can be won but no payment or purchase is 2 3 required to participate.
- 4 (14)Savings promotion raffles authorized under 5 Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union 6 Act, Section 5136B of the National Bank Act (12 U.S.C. 7 8 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 9 1463).
- 10 (15) Sports wagering when conducted in accordance with the Sports Wagering Act. 11
- (c) Sentence. 12
- 13 Gambling is a Class A misdemeanor. A second or subsequent 14 conviction under subsections (a)(3) through (a)(12), is a Class 15 4 felony.
- 16 (d) Circumstantial evidence.
- In prosecutions under this Section circumstantial evidence 17 shall have the same validity and weight as in any criminal 18 19 prosecution.
- 20 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)
- 21 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)
- 22 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever 23 24 used for the purposes of gambling other than gambling conducted 25 in the manner authorized by the Riverboat Gambling Act, the

- 1 Sports Wagering Act, or the Video Gaming Act. Any person who
- 2 knowingly permits any premises or property owned or occupied by
- him or under his control to be used as a gambling place commits 3
- 4 a Class A misdemeanor. Each subsequent offense is a Class 4
- 5 felony. When any premises is determined by the circuit court to
- be a gambling place: 6
- (a) Such premises is a public nuisance and may be proceeded 7
- 8 against as such, and
- 9 (b) All licenses, permits or certificates issued by the
- 10 State of Illinois or any subdivision or public agency thereof
- 11 authorizing the serving of food or liquor on such premises
- shall be void; and no license, permit or certificate so 12
- 13 cancelled shall be reissued for such premises for a period of
- 60 days thereafter; nor shall any person convicted of keeping a 14
- 15 gambling place be reissued such license for one year from his
- 16 conviction and, after a second conviction of keeping a gambling
- place, any such person shall not be reissued such license, and 17
- (c) Such premises of any person who knowingly permits 18
- thereon a violation of any Section of this Article shall be 19
- 20 held liable for, and may be sold to pay any unsatisfied
- 21 judgment that may be recovered and any unsatisfied fine that
- may be levied under any Section of this Article. 22
- (Source: P.A. 96-34, eff. 7-13-09.) 23
- 24 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)
- 25 Sec. 28-5. Seizure of gambling devices and gambling funds.

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- (a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.
- (b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.
- (c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the

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time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to any property interest in the seized property, representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise

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- 1 altered until a final determination is made by the Court as to 2 whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the 3 4 defendant, such slot machine shall be immediately returned to 5 the defendant. Such order of forfeiture and disposition shall, 6 for the purposes of appeal, be a final order and judgment in a 7 civil proceeding.
 - (d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.
 - (e) Any gambling device displayed for sale to a riverboat gambling operation or used to train occupational licensees of a riverboat gambling operation as authorized under the Riverboat Gambling Act is exempt from seizure under this Section.
 - (f) Any gambling equipment, devices and supplies provided by a licensed supplier in accordance with the Riverboat Gambling Act which are removed from the riverboat for repair

- are exempt from seizure under this Section. 1
- (q) The following video gaming terminals are exempt from 2 seizure under this Section: 3
- 4 (1) Video gaming terminals for sale to a licensed 5 distributor or operator under the Video Gaming Act.
- (2) Video gaming terminals used to train licensed 6 technicians or licensed terminal handlers. 7
- 8 (3) Video gaming terminals that are removed from a 9 licensed establishment, licensed truck stop establishment, 10 licensed fraternal establishment, or licensed veterans establishment for repair. 11
- (h) Property seized or forfeited under this Section is 12 13 subject to reporting under the Seizure and Forfeiture Reporting 14 Act.
 - (i) Any sports wagering equipment, devices, and supplies provided by a licensed supplier that are removed from a gaming facility for repair under the Sports Wagering Act are exempt from seizure under this Section.
- (Source: P.A. 100-512, eff. 7-1-18.) 19

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- 20 Article 999. Severability; Effective Date
- 21 Section 999-97. Severability. The provisions of this Act 22 are severable under Section 1.31 of the Statute on Statutes.
- 23 Section 999-99. Effective date. This Act takes effect upon

1 becoming law.".