



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 2595

2 AMENDMENT NO. _____. Amend Senate Bill 2595, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "ARTICLE 1

6 Section 1-3. The State Officials and Employees Ethics Act
7 is amended by changing Sections 5-50, 20-10, and 20-15 as
8 follows:

9 (5 ILCS 430/5-50)

10 Sec. 5-50. Ex parte communications; special government
11 agents.

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

14 (b) "Ex parte communication" means any written or oral
15 communication by any person that imparts or requests material

1 information or makes a material argument regarding potential
2 action concerning regulatory, quasi-adjudicatory, investment,
3 or licensing matters pending before or under consideration by
4 the agency. "Ex parte communication" does not include the
5 following: (i) statements by a person publicly made in a public
6 forum; (ii) statements regarding matters of procedure and
7 practice, such as format, the number of copies required, the
8 manner of filing, and the status of a matter; and (iii)
9 statements made by a State employee of the agency to the agency
10 head or other employees of that agency.

11 (b-5) An ex parte communication received by an agency,
12 agency head, or other agency employee from an interested party
13 or his or her official representative or attorney shall
14 promptly be memorialized and made a part of the record.

15 (c) An ex parte communication received by any agency,
16 agency head, or other agency employee, other than an ex parte
17 communication described in subsection (b-5), shall immediately
18 be reported to that agency's ethics officer by the recipient of
19 the communication and by any other employee of that agency who
20 responds to the communication. The ethics officer shall require
21 that the ex parte communication be promptly made a part of the
22 record. The ethics officer shall promptly file the ex parte
23 communication with the Executive Ethics Commission, including
24 all written communications, all written responses to the
25 communications, and a memorandum prepared by the ethics officer
26 stating the nature and substance of all oral communications,

1 the identity and job title of the person to whom each
2 communication was made, all responses made, the identity and
3 job title of the person making each response, the identity of
4 each person from whom the written or oral ex parte
5 communication was received, the individual or entity
6 represented by that person, any action the person requested or
7 recommended, and any other pertinent information. The
8 disclosure shall also contain the date of any ex parte
9 communication.

10 (d) "Interested party" means a person or entity whose
11 rights, privileges, or interests are the subject of or are
12 directly affected by a regulatory, quasi-adjudicatory,
13 investment, or licensing matter.

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

15 Executive Ethics Commission

16 Illinois Commerce Commission

17 Educational Labor Relations Board

18 State Board of Elections

19 ~~Illinois Gaming Board~~

20 Health Facilities Planning Board

21 Illinois Workers' Compensation Commission

22 Illinois Labor Relations Board

23 Illinois Liquor Control Commission

24 Pollution Control Board

25 Property Tax Appeal Board

26 Illinois Racing Board

1 Illinois Purchased Care Review Board
2 Department of State Police Merit Board
3 Motor Vehicle Review Board
4 Prisoner Review Board
5 Civil Service Commission
6 Personnel Review Board for the Treasurer
7 Merit Commission for the Secretary of State
8 Merit Commission for the Office of the Comptroller
9 Court of Claims
10 Board of Review of the Department of Employment Security
11 Department of Insurance
12 Department of Professional Regulation and licensing boards
13 under the Department
14 Department of Public Health and licensing boards under the
15 Department
16 Office of Banks and Real Estate and licensing boards under
17 the Office
18 State Employees Retirement System Board of Trustees
19 Judges Retirement System Board of Trustees
20 General Assembly Retirement System Board of Trustees
21 Illinois Board of Investment
22 State Universities Retirement System Board of Trustees
23 Teachers Retirement System Officers Board of Trustees
24 (f) Any person who fails to (i) report an ex parte
25 communication to an ethics officer, (ii) make information part
26 of the record, or (iii) make a filing with the Executive Ethics

1 Commission as required by this Section or as required by
2 Section 5-165 of the Illinois Administrative Procedure Act
3 violates this Act.

4 (Source: P.A. 95-331, eff. 8-21-07.)

5 (5 ILCS 430/20-10)

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

7 (a) ~~Six Five~~ independent Offices of the Executive Inspector
8 General are created, one each for the Governor, the Attorney
9 General, the Secretary of State, the Comptroller, and the
10 Treasurer and one for gaming activities. Each Office shall be
11 under the direction and supervision of an Executive Inspector
12 General and shall be a fully independent office with separate
13 appropriations.

14 (b) The Governor, Attorney General, Secretary of State,
15 Comptroller, and Treasurer shall each appoint an Executive
16 Inspector General, and the Director of Gaming Enforcement shall
17 appoint an Executive Inspector General for gaming activities.
18 Each appointment must be made without regard to political
19 affiliation and solely on the basis of integrity and
20 demonstrated ability. Appointments shall be made by and with
21 the advice and consent of the Senate by three-fifths of the
22 elected members concurring by record vote. Any nomination not
23 acted upon by the Senate within 60 session days of the receipt
24 thereof shall be deemed to have received the advice and consent
25 of the Senate. If, during a recess of the Senate, there is a

1 vacancy in an office of Executive Inspector General, the
2 appointing authority shall make a temporary appointment until
3 the next meeting of the Senate when the appointing authority
4 shall make a nomination to fill that office. No person rejected
5 for an office of Executive Inspector General shall, except by
6 the Senate's request, be nominated again for that office at the
7 same session of the Senate or be appointed to that office
8 during a recess of that Senate.

9 Nothing in this Article precludes the appointment by the
10 Governor, Attorney General, Secretary of State, Comptroller,
11 or Treasurer of any other inspector general required or
12 permitted by law. The Governor, Attorney General, Secretary of
13 State, Comptroller, and Treasurer each may appoint an existing
14 inspector general as the Executive Inspector General required
15 by this Article, provided that such an inspector general is not
16 prohibited by law, rule, jurisdiction, qualification, or
17 interest from serving as the Executive Inspector General
18 required by this Article. An appointing authority may not
19 appoint a relative as an Executive Inspector General.

20 Each Executive Inspector General shall have the following
21 qualifications:

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

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

26 (3) has 5 or more years of cumulative service (A) with

1 a federal, State, or local law enforcement agency, at least
2 2 years of which have been in a progressive investigatory
3 capacity; (B) as a federal, State, or local prosecutor; (C)
4 as a senior manager or executive of a federal, State, or
5 local agency; (D) as a member, an officer, or a State or
6 federal judge; or (E) representing any combination of (A)
7 through (D).

8 The term of each initial Executive Inspector General shall
9 commence upon qualification and shall run through June 30,
10 2008. The initial appointments shall be made within 60 days
11 after the effective date of this Act.

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

17 A vacancy occurring other than at the end of a term shall
18 be filled by the appointing authority only for the balance of
19 the term of the Executive Inspector General whose office is
20 vacant.

21 Terms shall run regardless of whether the position is
22 filled.

23 (c) The Executive Inspector General appointed by the
24 Attorney General shall have jurisdiction over the Attorney
25 General and all officers and employees of, and vendors and
26 others doing business with, State agencies within the

1 jurisdiction of the Attorney General. The Executive Inspector
2 General appointed by the Secretary of State shall have
3 jurisdiction over the Secretary of State and all officers and
4 employees of, and vendors and others doing business with, State
5 agencies within the jurisdiction of the Secretary of State. The
6 Executive Inspector General appointed by the Comptroller shall
7 have jurisdiction over the Comptroller and all officers and
8 employees of, and vendors and others doing business with, State
9 agencies within the jurisdiction of the Comptroller. The
10 Executive Inspector General appointed by the Treasurer shall
11 have jurisdiction over the Treasurer and all officers and
12 employees of, and vendors and others doing business with, State
13 agencies within the jurisdiction of the Treasurer. The
14 Executive Inspector General appointed by the Governor shall
15 have jurisdiction over the Governor, the Lieutenant Governor,
16 and all officers and employees of, and vendors and others doing
17 business with, executive branch State agencies under the
18 jurisdiction of the Executive Ethics Commission and not within
19 the jurisdiction of the Attorney General, the Secretary of
20 State, the Comptroller, ~~or~~ the Treasurer, or the Executive
21 Inspector General for gaming activities. The Executive
22 Inspector General for gaming activities appointed by the
23 Director of Gaming Enforcement has jurisdiction over the
24 Illinois Gaming Board and the Office of Gaming Enforcement, and
25 all officers and employees of those agencies.

26 The jurisdiction of each Executive Inspector General is to

1 investigate allegations of fraud, waste, abuse, mismanagement,
2 misconduct, nonfeasance, misfeasance, malfeasance, or
3 violations of this Act or violations of other related laws and
4 rules.

5 (d) The minimum compensation for each Executive Inspector
6 General shall be determined by the Executive Ethics Commission.
7 The actual compensation for each Executive Inspector General
8 shall be determined by the appointing ~~executive branch~~
9 ~~constitutional~~ officer and must be at or above the minimum
10 compensation level set by the Executive Ethics Commission.
11 Subject to Section 20-45 of this Act, each Executive Inspector
12 General has full authority to organize his or her Office of the
13 Executive Inspector General, including the employment and
14 determination of the compensation of staff, such as deputies,
15 assistants, and other employees, as appropriations permit. A
16 separate appropriation shall be made for each Office of
17 Executive Inspector General.

18 (e) No Executive Inspector General or employee of the
19 Office of the Executive Inspector General may, during his or
20 her term of appointment or employment:

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

22 (2) hold any other elected or appointed public office
23 except for appointments on governmental advisory boards or
24 study commissions or as otherwise expressly authorized by
25 law;

26 (3) be actively involved in the affairs of any

1 political party or political organization; or

2 (4) actively participate in any campaign for any
3 elective office.

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

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

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

12 (2) hold any elected public office; or

13 (3) hold any appointed State, county, or local judicial
14 office.

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

17 (f) An Executive Inspector General may be removed only for
18 cause and may be removed only by the appointing ~~constitutional~~
19 officer. At the time of the removal, the appointing
20 ~~constitutional~~ officer must report to the Executive Ethics
21 Commission the justification for the removal.

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

23 (5 ILCS 430/20-15)

24 Sec. 20-15. Duties of the Executive Ethics Commission. In
25 addition to duties otherwise assigned by law, the Executive

1 Ethics Commission shall have the following duties:

2 (1) To promulgate rules governing the performance of
3 its duties and the exercise of its powers and governing the
4 investigations of the Executive Inspectors General. It is
5 declared to be in the public interest, safety, and welfare
6 that the Commission adopt emergency rules under the
7 Illinois Administrative Procedure Act to initially perform
8 its duties under this subsection.

9 (2) To conduct administrative hearings and rule on
10 matters brought before the Commission only upon the receipt
11 of pleadings filed by an Executive Inspector General and
12 not upon its own prerogative, but may appoint special
13 Executive Inspectors General as provided in Section 20-21.
14 Any other allegations of misconduct received by the
15 Commission from a person other than an Executive Inspector
16 General shall be referred to the Office of the appropriate
17 Executive Inspector General.

18 (3) To prepare and publish manuals and guides and,
19 working with the Office of the Attorney General, oversee
20 training of employees under its jurisdiction that explains
21 their duties.

22 (4) To prepare public information materials to
23 facilitate compliance, implementation, and enforcement of
24 this Act.

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

26 (6) To the extent authorized by this Act, to make

1 rulings, issue recommendations, and impose administrative
2 fines, if appropriate, in connection with the
3 implementation and interpretation of this Act. The powers
4 and duties of the Commission are limited to matters clearly
5 within the purview of this Act.

6 (7) To issue subpoenas with respect to matters pending
7 before the Commission, subject to the provisions of this
8 Article and in the discretion of the Commission, to compel
9 the attendance of witnesses for purposes of testimony and
10 the production of documents and other items for inspection
11 and copying.

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

14 (9) To review applications and appoint members to the
15 Nomination Panel established under the Riverboat Gambling
16 Act.

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

18 Section 1-5. The Election Code is amended by adding Section
19 9-35 as follows:

20 (10 ILCS 5/9-35 new)

21 Sec. 9-35. Registration of business entities.

22 (a) This Section governs the procedures for the
23 registration required under Section 20-160 of the Illinois
24 Procurement Code.

1 For the purposes of this Section, the terms "officeholder",
2 "State contract", "business entity", "State agency",
3 "affiliated entity", and "affiliated person" have the meanings
4 ascribed to those terms in Section 50-37 of the Illinois
5 Procurement Code.

6 (b) Registration under Section 20-160 of the Illinois
7 Procurement Code, and any changes to that registration, must be
8 made electronically. The State Board of Elections by rule shall
9 provide for electronic registration, which must contain
10 substantially the following:

11 (1) The name and address of the business entity.

12 (2) The name and address of any affiliated entity of
13 the business entity, including a description of the
14 affiliation.

15 (3) The name and address of any affiliated person of
16 the business entity, including a description of the
17 affiliation.

18 (c) The Board shall provide a certificate of registration
19 to the business entity. The certificate shall be electronic and
20 accessible to the business entity through the State Board of
21 Elections' website and protected by a password.

22 (d) Any business entity required to register under Section
23 20-160 of the Illinois Procurement Code shall provide a copy of
24 the registration certificate, by first class mail or hand
25 delivery within 10 days after registration, to each affiliated
26 entity or affiliated person whose identity is required to be

1 disclosed. Failure to provide notice to an affiliated entity or
2 affiliated person is a business offense for which the business
3 entity is subject to a fine not to exceed \$1,001.

4 (e) In addition to any penalty under Section 20-160 of the
5 Illinois Procurement Code, intentional, willful, or material
6 failure to disclose information required for registration is
7 subject to a civil penalty imposed by the State Board of
8 Elections. The State Board shall impose a civil penalty of
9 \$1,000 per business day for failure to update a registration.

10 (f) Any business entity required to register under Section
11 20-160 of the Illinois Procurement Code shall notify any
12 political committee to which it makes a contribution, at the
13 time of the contribution, that the business entity is
14 registered with the State Board of Elections under Section
15 20-160 of the Illinois Procurement Code. Any affiliated entity
16 or affiliated person of a business entity required to register
17 under Section 20-160 of the Illinois Procurement Code shall
18 notify any political committee to which it makes a contribution
19 that it is affiliated with a business entity registered with
20 the State Board of Elections under Section 20-160 of the
21 Illinois Procurement Code.

22 (g) The State Board of Elections on its official website
23 shall have a searchable database containing (i) all information
24 required to be submitted to the Board under Section 20-160 of
25 the Illinois Procurement Code and (ii) all reports filed under
26 this Article with the State Board of Elections by all political

1 committees. For the purposes of databases maintained by the
2 State Board of Elections, "searchable" means able to search by
3 "political committee", as defined in this Article, and by
4 "officeholder", "State agency", "business entity", "affiliated
5 entity", and "affiliated person". The Board shall not place the
6 name of a minor child on the website. However, the Board shall
7 provide a link to all contributions made by anyone reporting
8 the same residential address as any affiliated person. In
9 addition, the State Board of Elections on its official website
10 shall provide an electronic connection to any searchable
11 database of State contracts maintained by the Comptroller,
12 searchable by business entity.

13 (h) The State Board of Elections shall have rulemaking
14 authority to implement this Section.

15 Section 1-7. The Executive Reorganization Implementation
16 Act is amended by changing Section 3.1 as follows:

17 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

18 Sec. 3.1. "Agency directly responsible to the Governor" or
19 "agency" means any office, officer, division, or part thereof,
20 and any other office, nonelective officer, department,
21 division, bureau, board, or commission in the executive branch
22 of State government, except that it does not apply to any
23 agency whose primary function is service to the General
24 Assembly or the Judicial Branch of State government, or to any

1 agency administered by the Attorney General, Secretary of
2 State, State Comptroller or State Treasurer. In addition the
3 term does not apply to the following agencies created by law
4 with the primary responsibility of exercising regulatory or
5 adjudicatory functions independently of the Governor:

6 (1) the State Board of Elections;

7 (2) the State Board of Education;

8 (3) the Illinois Commerce Commission;

9 (4) the Illinois Workers' Compensation Commission;

10 (5) the Civil Service Commission;

11 (6) the Fair Employment Practices Commission;

12 (7) the Pollution Control Board;

13 (8) the Department of State Police Merit Board;

14 (9) the Illinois Gaming Board; and

15 (10) the Office of Gaming Enforcement.

16 (Source: P.A. 93-721, eff. 1-1-05.)

17 Section 1-10. The Secretary of State Act is amended by
18 changing Section 5 as follows:

19 (15 ILCS 305/5) (from Ch. 124, par. 5)

20 Sec. 5. It shall be the duty of the Secretary of State:

21 1. To countersign and affix the seal of state to all
22 commissions required by law to be issued by the Governor.

23 2. To make a register of all appointments by the Governor,
24 specifying the person appointed, the office conferred, the date

1 of the appointment, the date when bond or oath is taken and the
2 date filed. If Senate confirmation is required, the date of the
3 confirmation shall be included in the register.

4 3. To make proper indexes to public acts, resolutions,
5 papers and documents in his office.

6 3-a. To review all rules of all State agencies adopted in
7 compliance with the codification system prescribed by the
8 Secretary. The review shall be for the purposes and include all
9 the powers and duties provided in the Illinois Administrative
10 Procedure Act. The Secretary of State shall cooperate with the
11 Legislative Information System to insure the accuracy of the
12 text of the rules maintained under the Legislative Information
13 System Act.

14 4. To give any person requiring the same paying the lawful
15 fees therefor, a copy of any law, act, resolution, record or
16 paper in his office, and attach thereto his certificate, under
17 the seal of the state.

18 5. To take charge of and preserve from waste, and keep in
19 repair, the houses, lots, grounds and appurtenances, situated
20 in the City of Springfield, and belonging to or occupied by the
21 State, the care of which is not otherwise provided for by law,
22 and to take charge of and preserve from waste, and keep in
23 repair, the houses, lots, grounds and appurtenances, situated
24 in the State outside the City of Springfield where such houses,
25 lots, grounds and appurtenances are occupied by the Secretary
26 of State and no other State officer or agency.

1 6. To supervise the distribution of the laws.

2 7. To perform such other duties as may be required by law.
3 The Secretary of State may, within appropriations authorized by
4 the General Assembly, maintain offices in the State Capital and
5 in such other places in the State as he may deem necessary to
6 properly carry out the powers and duties vested in him by law.

7 8. In addition to all other authority granted to the
8 Secretary by law, subject to appropriation, to make grants or
9 otherwise provide assistance to, among others without
10 limitation, units of local government, school districts,
11 educational institutions, private agencies, not-for-profit
12 organizations, and for-profit entities for the health, safety,
13 and welfare of Illinois residents for purposes related to
14 education, transportation, construction, capital improvements,
15 social services, and any other lawful public purpose. Upon
16 request of the Secretary, all State agencies are mandated to
17 provide the Secretary with assistance in administering the
18 grants.

19 (Source: P.A. 91-357, eff. 7-29-99.)

20 Section 1-15. The Illinois Lottery Law is amended by
21 changing Sections 2, 3, 4, 5, 6, 7.1, 7.2, 7.3, 7.4, 7.5, 7.8,
22 7.8a, 7.11, 8.1, 9, 10, 10.1, 10.1a, 10.2, 10.3, 10.4, 10.5,
23 10.6, 10.7, 11, 12, 13, 14, 14.2, 14.3, 15, 16, 17, 19, 20, 21,
24 21.2, 21.3, 21.5, 24, 25, 26, 27, and 28 and by adding Sections
25 2.1, 2.2, 2.3, 2.4, 2.5, 6.1, 20.2, and 21.9 as follows:

1 (20 ILCS 1605/2) (from Ch. 120, par. 1152)

2 Sec. 2. This Act is enacted to implement and establish
3 within the State a lottery to be conducted ~~operated~~ by the
4 State, whether that lottery is operated and managed by the
5 State or by a third party pursuant to a Management and
6 Concession Agreement. The operations of a lottery are unique
7 activities for State government, and private management will
8 best enable the lottery to be operated in an entrepreneurial
9 and business-like manner, thereby maximizing value for and
10 benefit to the citizens of the State. Any such private manager
11 shall be accountable to the State through a comprehensive
12 system of State regulation and enduring operational oversight.
13 The State's ongoing conduct of the Lottery throughout the term
14 of a Concession shall act to promote and ensure the integrity,
15 security, honesty, and fairness of the Lottery's operation and
16 administration. Unless the lottery is operated pursuant to the
17 terms of a Management and Concession Agreement, the entire net
18 proceeds are to be deposited into the Common School Fund,
19 except as provided in Sections 21.5, 21.6, 21.7 (added by P.A.
20 95-673), and 21.7 (added by P.A. 95-674). ~~the entire net~~
21 ~~proceeds of which are to be used for the support of the State's~~
22 ~~Common School Fund, except as provided in Sections 21.2, 21.5,~~
23 ~~21.6, and 21.7, and 21.7.~~

24 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
25 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.

1 10-11-07; revised 12-5-07.)

2 (20 ILCS 1605/2.1 new)

3 Sec. 2.1. Management and Concession Agreement authorized;
4 sale of Lottery prohibited. Notwithstanding any provision of
5 this Act or other applicable law to the contrary, the State
6 may, pursuant to a competitive process that complies with the
7 Illinois Procurement Code and rules adopted under that Code,
8 enter into a Management and Concession Agreement with a third
9 party pursuant to which that party may be authorized to manage
10 or operate the Lottery on behalf of the State, and further
11 pursuant to which that party may receive certain Lottery
12 revenues in consideration of the payment of a fee or fees to
13 the State for that right, provided that the Concession is
14 managed and operated in accordance with the provisions of this
15 Act and that the State at all times retains control of the
16 Lottery and exercises supervisory authority over the
17 Concession sufficient to implement the terms of the Management
18 and Concession Agreement and to effect the purposes of this
19 Act. Pursuant to Section 2.3 of this Act, no Management and
20 Concession Agreement may be binding and enforceable without the
21 written consent of the Governor, Comptroller, and Treasurer.
22 The Lottery shall remain, for so long as a Concessionaire
23 manages and operates the Concession in accordance with
24 provisions of this Act, a Lottery conducted by the State, and
25 the State shall not be authorized to sell or transfer the

1 Lottery to a third party.

2 (20 ILCS 1605/2.2 new)

3 Sec. 2.2. Terms of a Management and Concession Agreement.

4 The terms of a Management and Concession Agreement shall
5 include, without limitation, all of the following:

6 (a) The term of the Concession shall be no less than 50
7 years and shall not exceed 60 years. The term of a
8 Concession may be extended, but only if the extension and
9 the consideration for the extension are specifically
10 established by the General Assembly by law. The Illinois
11 Gaming Board must verify that all provisions of the
12 extension conform to the provisions of the Illinois
13 Procurement Code and the State Officials and Employees
14 Ethics Act.

15 (b) The consideration paid to the State for a
16 Concessionaire's right to manage and operate the
17 Concession shall have a value not less than
18 \$10,000,000,000, with no less than \$6,000,000,000
19 delivered on the date the Management and Concession
20 Agreement becomes effective and the remaining amounts
21 delivered within 2 years thereafter.

22 (c) At least 37% of the value of all contracts and
23 agreements entered into by the Concessionaire for goods and
24 services in connection with its management and operation of
25 the Lottery, other than contracts or agreements with sales

1 agents or technical operators, must be awarded as follows:
2 at least 25% to businesses that are a "minority owned
3 business", at least 10% to businesses that are a "female
4 owned business", and at least 2% to businesses that are a
5 business owned by a person with a disability, as those
6 terms are defined in the Business Enterprise for
7 Minorities, Females, and Persons with Disabilities Act.
8 For purposes of this item (c), all contracts entered into
9 by a technical operator shall be deemed to be contracts
10 entered by the Concessionaire. A contract by which the
11 Concessionaire retains a technical operator shall be
12 exempt from the requirements of this item (c).

13 (d) The State shall at all times during which a
14 Management and Concession Agreement is in effect receive an
15 amount equal to 20% of Lottery gross revenues, after prize
16 payouts.

17 (e) The minimum payout ratios with respect to instant
18 Lottery games and online Lottery games, as defined in the
19 Management and Concession Agreement, shall be in the
20 aggregate at least 55% of all ticket revenues attributable
21 to such instant Lottery games and online Lottery games.

22 (f) In any zip code where the poverty rate, as
23 determined by using the most recent decennial census
24 released by the United States Census Bureau, is at least 3%
25 higher than the State poverty rate as determined using the
26 most recent decennial census released by the United States

1 Census Bureau, neither the Concessionaire nor a technical
2 operator shall increase the number of licensed Lottery
3 ticket vendors by greater than 10% from the number of
4 vendors then licensed in the zip code at the time of the
5 most recent release of decennial census by the United
6 States Census Bureau.

7 (g) The State may cancel a Management and Concession
8 Agreement if (i) the Concessionaire, or any executive
9 employee of the Concessionaire, is found guilty of any
10 criminal offense related to the conduct of its business or
11 the regulation thereof in any jurisdiction or (ii) a
12 technical operator, or any executive employee of a
13 technical operator, is found guilty of any criminal offense
14 related to the conduct of its business or the regulation
15 thereof in any jurisdiction and the Concessionaire does not
16 terminate its agreement with the technical operator no
17 later than 30 days after the final judgement of conviction.
18 An executive employee shall be defined as the President,
19 Chairman, Chief Executive Officer, or other employee with
20 executive decision-making authority over the long-term and
21 day-to-day affairs of the Concessionaire or technical
22 operator, or an employee whose compensation is determined
23 directly, in whole or in part, by the award of or payment
24 pursuant to the Management and Concession Agreement.

25 (20 ILCS 1605/2.3 new)

1 Sec. 2.3. Authorization for a Management and Concession
2 Agreement. The Director is authorized to enter into a
3 Management and Concession Agreement on behalf of the State on
4 the foregoing terms and such other terms as the Director shall
5 determine, consistent with this amendatory Act of the 95th
6 General Assembly. No Management and Concession Agreement may be
7 binding and enforceable without the written consent of the
8 Governor, Comptroller, and Treasurer. The Governor,
9 Comptroller, and Treasurer must verify that all provisions of
10 the agreement conform to the provisions of the Illinois
11 Procurement Code, the State Officials and Employees Ethics Act,
12 and this Act. The Director must provide all transaction
13 documents to the Governor, Comptroller, and Treasurer upon
14 request and prior to their execution.

15 The Director, and such State officers as may be designated
16 by the Director, are authorized to execute and deliver on
17 behalf of the State any and all documents as the executing
18 State officer shall deem appropriate in connection with the
19 State entering into or performing its obligations under the
20 Transaction Documents and to do all such other acts and things
21 as may be necessary, advisable, or appropriate to carry out,
22 and perform the State's obligations under the Transaction
23 Documents.

24 The Department of Revenue is authorized and empowered to
25 enter into a public/private partnership agreement with any
26 lessor of the State Lottery (the "Concessionaire"), whereby the

1 Department of Revenue employees may provide services for a fee
2 to the Concessionaire to assist the Concessionaire in the
3 administration and operation of the State Lottery. The
4 Concessionaire shall contract with the Department of Revenue
5 under a public/private partnership agreement for all work that,
6 if performed by employees of the State, would be performed by
7 employees, as defined by the Illinois Public Labor Relations
8 Act (IPLRA, 5 ILCS 315/). The State of Illinois shall be the
9 employer of all non-managerial, non-supervisory, and
10 non-confidential employees, as defined by the IPLRA, assigned
11 to perform such work for the Concessionaire pursuant to the
12 public/private partnership agreement, and such employees shall
13 be State employees, as defined by the Personnel Code, 20 ILCS
14 415/. As employees of the State of Illinois, such employees
15 shall have the same employment rights and duties, and be
16 subject to the same employment policies, rules, regulations,
17 and procedures, as other employees of the Department of
18 Revenue. Neither historical representation rights under the
19 IPLRA nor existing collective bargaining agreements shall be
20 disturbed by the lease of the State Lottery. Upon expiration of
21 the applicable collective bargaining agreement on or after June
22 30, 2012, the Concessionaire shall retain the employees
23 performing such work on the expiration date and shall recognize
24 the bargaining agent or agents and honor any existing agreement
25 in conformity with applicable law. During the pendency of a
26 collective bargaining agreement expiring on or after June 30,

1 2012, any employee assigned by the State to perform work for
2 the Concessionaire shall, upon written request to the Director
3 of Central Management Services, be offered employment, without
4 loss of pay or benefits with the State of Illinois, in the same
5 county in which the employee was assigned to perform such work.

6 (20 ILCS 1605/2.4 new)

7 Sec. 2.4. Proceeds of concession transaction and future
8 proceeds payable to the State under a Management and Concession
9 Agreement; payment of transaction costs; deposit of proceeds
10 into Funds.

11 (a) All fees paid directly by the State for professional
12 services relating to the lease of the lottery, including but
13 not limited to fees for legal, accounting, project management,
14 investment banking, and consultation services, shall not
15 exceed an aggregate total of \$10,000,000. No money shall be
16 expended by the State for professional services relating to the
17 lease of the lottery in excess of this limitation without the
18 unanimous and written consent of the Governor, Comptroller, and
19 Treasurer.

20 (b) After the payment of all transaction-related costs, in
21 one or a series of transactions: (i) the first \$3,000,000,000
22 received from the Concession transaction or transactions
23 authorized pursuant to this amendatory Act of the 95th General
24 Assembly shall be deposited into the Illinois Education Trust
25 Fund, (ii) all proceeds of the Concession transaction or

1 transactions authorized pursuant to this amendatory Act of the
2 95th General Assembly in excess of \$3,000,000,000 but not
3 greater than \$10,000,000,000 shall be deposited into the GROW
4 Illinois Fund, (iii) all proceeds of the Concession transaction
5 or transactions authorized pursuant to this amendatory Act of
6 the 95th General Assembly in excess of \$10,000,000,000 but not
7 greater than \$11,000,000,000 shall be deposited into the
8 Illinois Education Trust Fund, and (iv) all proceeds of the
9 Concession transaction or transactions authorized pursuant to
10 this amendatory Act of the 95th General Assembly in excess of
11 \$11,000,000,000 shall be deposited into the Pension
12 Stabilization Fund.

13 (20 ILCS 1605/2.5 new)

14 Sec. 2.5. Creation of the Illinois Education Trust Fund;
15 State Treasurer's investment of moneys. There is created in the
16 State Treasury the Illinois Education Trust Fund.
17 Notwithstanding any other statute to the contrary, the State
18 Treasurer is hereby authorized to and shall invest all moneys
19 deposited into the Illinois Education Trust Fund pursuant to
20 this amendatory Act of the 95th General Assembly. Permissible
21 investments of the Illinois Education Trust Fund shall be
22 identical to the investment authority granted to the Illinois
23 State Board of Investments pursuant to 40 ILCS 5/22A-112,
24 subject to the requirements and restrictions set forth in
25 Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and

1 1-115 of the Illinois Pension Code. Notwithstanding the
2 foregoing, the following shall not be considered permissible
3 investments of the Illinois Education Trust Fund; (i)
4 investments in venture capital, (ii) investments in hedge
5 funds, and (iii) investments in real estate.

6 Notwithstanding any other State law to the contrary, on or
7 before the last day of each fiscal year the State Comptroller
8 shall direct and the State Treasurer shall transfer from the
9 Illinois Education Trust Fund to the State Lottery Fund the
10 amount necessary to provide for the transfer of \$600,000,000 in
11 that fiscal year from the State Lottery Fund to the Common
12 School Fund in accordance with the provisions of Section 20.2
13 of this Act.

14 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

15 Sec. 3. Definitions. For the purposes of this Act:

16 a. "Lottery" or "State Lottery" means the lottery or
17 lotteries established and operated pursuant to this Act.

18 b. "Board" means the Lottery Control Board created by this
19 Act.

20 c. "Department" means the Department of Revenue.

21 d. "Director" means the Director of Revenue.

22 e. "Chairman" means the Chairman of the Lottery Control
23 Board.

24 f. "Multi-state game directors" means such persons,
25 including the Superintendent, as may be designated by an

1 agreement between the Division and one or more additional
2 lotteries operated under the laws of another state or states.

3 g. "Division" means the Division of the State Lottery of
4 the Department of Revenue.

5 h. "Superintendent" means the Superintendent of the
6 Division of the State Lottery of the Department of Revenue.

7 i. "Concession" means the right of a Concessionaire to
8 manage or operate the Lottery pursuant to the terms of a
9 Management and Concession Agreement and this Act.

10 j. "Management and Concession Agreement" means that
11 agreement and all schedules, exhibits, and attachments
12 thereto, entered into pursuant to a competitive process and
13 pursuant to which the State may grant a license or other
14 contractual right to manage or operate the Lottery to a
15 Concessionaire, and further pursuant to which a Concessionaire
16 may receive certain Lottery ticket or share sales and related
17 proceeds in consideration of the payment of a fee or fees to
18 the State.

19 k. "Concessionaire" means a third party that manages or
20 operates the Lottery pursuant to a Management and Concession
21 Agreement then in effect.

22 l. "Conducted by the State" means the management and
23 operation of the Lottery pursuant to the terms of this Act,
24 whether directly by the State or by a Concessionaire pursuant
25 to the terms of a Management and Concession Agreement as
26 provided for in this amendatory Act of the 95th General

1 Assembly. The Concessionaire shall at all times remain
2 accountable to the State and the people of the State through a
3 comprehensive system of State regulation and enduring
4 operational oversight, which shall include, without
5 limitation, the Concessionaire's regular provision and the
6 State's ongoing review and analysis of audits, reports, and
7 financial disclosures as required by this amendatory Act of the
8 95th General Assembly.

9 m. "Transaction Documents" means all documents drafted,
10 prepared, or composed in connection with the Management and
11 Concession Agreement, including but not limited to all
12 documents reflecting or relating to any solicitation or
13 presolicitation activities the State may have undertaken
14 regarding a possible Concession.

15 n. "Technical operator" means an entity that, pursuant to
16 the terms of this amendatory Act of the 95th General Assembly
17 and the Concession Agreement, is substantially involved in the
18 day-to-day operations of the Lottery in a manner that includes
19 (i) the design and production of lottery games or lottery game
20 equipment, (ii) the provision and maintenance of lottery
21 equipment, (iii) the operation and monitoring of lottery games
22 or other regulated gaming activities, (iv) the development and
23 maintenance of a distribution network, or (v) the verification
24 of game outcomes, or an entity responsible for other
25 significant regulated gaming activities.

26 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

2 Sec. 4. Department established. The Department of the
3 Lottery is established to implement and regulate the State
4 Lottery in the manner provided in this Act.

5 In accordance with Executive Order No. 9 (2003), the
6 Division of the State Lottery is established within the
7 Department of Revenue. Unless otherwise provided by law, the
8 Division of the State Lottery shall be subject to and governed
9 by all of the laws and rules applicable to the Department.

10 If the State enters into a Management and Concession
11 Agreement pursuant to which a Concessionaire is authorized to
12 manage or operate the Lottery, the Division of the State
13 Lottery is abolished on the effective date of that Agreement,
14 and the Illinois Gaming Board and the Office of Gaming
15 Enforcement shall, as set forth in this amendatory Act of the
16 95th General Assembly, assume jurisdiction and oversight of
17 Lottery and Concession operations.

18 (Source: P.A. 94-776, eff. 5-19-06.)

19 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

20 Sec. 5. Superintendent. The Division shall be under the
21 supervision and direction of a Superintendent, who shall be a
22 person qualified by training and experience to perform the
23 duties required by this Act. The Superintendent shall be
24 appointed by the Governor, by and with the advice and consent

1 of the Senate. The term of office of the Superintendent shall
2 expire on the third Monday of January in odd numbered years
3 provided that he or she shall hold office until a successor is
4 appointed and qualified.

5 Any vacancy occurring in the office of the Superintendent
6 shall be filled in the same manner as the original appointment.

7 The Superintendent shall devote his or her entire time and
8 attention to the duties of the office and shall not be engaged
9 in any other profession or occupation. The Superintendent shall
10 receive such salary as shall be provided by law.

11 If the State enters into a Management and Concession
12 Agreement pursuant to which a Concessionaire is authorized to
13 manage or operate the Lottery, the position of the
14 Superintendent is abolished on the effective date of that
15 Agreement, and the powers and duties of that position are
16 transferred, to the extent they are applicable, to the Illinois
17 Gaming Board and the Office of Gaming Enforcement.

18 (Source: P.A. 94-776, eff. 5-19-06.)

19 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

20 Sec. 6. Lottery Control Board; creation; appointment;
21 chairman; terms; vacancies; removal; compensation; meetings;
22 quorum. There is hereby created an independent board to be
23 known as the Lottery Control Board, consisting of 5 members,
24 all of whom shall be citizens of the United States and
25 residents of this State and shall be appointed by the Governor

1 with the advice and consent of the Senate. No more than 3 of
2 the 5 members shall be members of the same political party. A
3 chairman of the Board shall be chosen annually from the
4 membership of the Board by a majority of the members of the
5 Board at the first meeting of the Board each fiscal year.

6 Initial members shall be appointed to the Board by the
7 Governor as follows: one member to serve until July 1, 1974,
8 and until his successor is appointed and qualified; 2 members
9 to serve until July 1, 1975, and until their successors are
10 appointed and qualified; 2 members to serve until July 1, 1976,
11 and until their successors are appointed and qualified. As
12 terms of members so appointed expire, their successors shall be
13 appointed for terms to expire the first day in July 3 years
14 thereafter, and until their successors are appointed and
15 qualified.

16 Any vacancy in the Board occurring for any reason other
17 than expiration of term, shall be filled for the unexpired term
18 in the same manner as the original appointment.

19 Any member of the Board may be removed by the Governor for
20 neglect of duty, misfeasance, malfeasance, or nonfeasance in
21 office.

22 Board members shall receive as compensation for their
23 services \$100 for each day they are in attendance at any
24 official board meeting, but in no event shall members receive
25 more than \$1,200 per year. They shall receive no other
26 compensation for their services, but shall be reimbursed for

1 necessary traveling and other reasonable expenses incurred in
2 the performance of their official duties. Each member shall
3 make a full financial disclosure upon appointment.

4 The Board shall hold at least one meeting each quarter of
5 the fiscal year. In addition, special meetings may be called by
6 the Chairman, any 2 Board members, or the Director of the
7 Department, upon delivery of 72 hours' written notice to the
8 office of each member. All Board meetings shall be open to the
9 public pursuant to the Open Meetings Act.

10 Three members of the Board shall constitute a quorum, and 3
11 votes shall be required for any final determination by the
12 Board. The Board shall keep a complete and accurate record of
13 all its meetings.

14 If the State enters into a Management and Concession
15 Agreement pursuant to which a Concessionaire is authorized to
16 manage or operate the Lottery, the terms of the members of the
17 Board shall terminate on the effective date of that Agreement
18 and the Board is thereupon abolished. The Illinois Gaming Board
19 and the Office of Gaming Enforcement shall, as set forth in
20 this amendatory Act of the 95th General Assembly, assume
21 jurisdiction and oversight of Lottery and Concession
22 operations.

23 (Source: P.A. 84-1128.)

24 (20 ILCS 1605/6.1 new)

25 Sec. 6.1. Illinois Gaming Board and Office of Gaming

1 Enforcement Authorization to Implement the Act and Oversee the
2 Concession.

3 (a) If the State enters into a Management and Concession
4 Agreement pursuant to which a Concessionaire is authorized to
5 manage or operate the Lottery, the Illinois Gaming Board and
6 the Office of Gaming Enforcement shall jointly have general
7 responsibility for the implementation of this Act and the
8 oversight and implementation of any Management and Concession
9 Agreement.

10 (b) The Illinois Gaming Board shall have regulatory
11 jurisdiction and oversight over all Lottery and Concession
12 operations governed by this Act and shall have all powers
13 necessary and proper to fully and effectively execute the
14 provisions of this Act. Its powers and duties include, without
15 limitation, the following:

16 (1) to conduct hearings pertaining to rules and
17 regulations promulgated under this Act;

18 (2) acting jointly with the Office of Gaming
19 Enforcement, to implement and administer the Concession
20 and Management Agreement, including, without limitation,
21 the supervision and administration of the operation of the
22 Lottery in accordance with this Act, the rules and
23 regulations of the Illinois Gaming Board and Office of
24 Gaming Enforcement adopted hereunder, and the terms of the
25 Management and Concession Agreement;

26 (3) beginning when members of the Illinois Gaming Board

1 have been appointed pursuant to this amendatory Act of the
2 95th General Assembly, to review all contracts entered into
3 by the Concessionaire or technical operator, directly or
4 indirectly, for the purpose of implementing and executing
5 the Management and Concession Agreement; and to review and
6 approve all contracts entered into by the Concessionaire or
7 technical operator, directly or indirectly, for the
8 purpose of implementing and executing the Management and
9 Concession Agreement, with an aggregate amount of \$50,000
10 or more or for a term to exceed 365 days; beginning on the
11 effective date of this amendatory Act of the 95th General
12 Assembly and until members of the Illinois Gaming Board
13 have been appointed pursuant to this amendatory Act of the
14 95th General Assembly, this duty shall be performed jointly
15 by the Governor, Comptroller, and Treasurer, and all
16 contracts with an aggregate amount of \$50,000 or more or
17 for a term to exceed 365 days must be approved unanimously
18 by all 3 officers;

19 (4) to promulgate rules and regulations for the purpose
20 of administering the provisions of this Act and the
21 Management and Concession Agreement and to prescribe
22 rules, regulations, and conditions under which the Lottery
23 shall be conducted; those rules and regulations are to
24 provide for the prevention of practices detrimental to the
25 public interest and for the best interests of citizens of
26 the State, including rules and regulations regarding

1 inspection;

2 (5) to review and rule upon any complaint brought by
3 the Office of Gaming Enforcement and, if deemed necessary,
4 to take appropriate disciplinary action against a
5 Concessionaire or technical operator and its contractors
6 and licensees for violations of this Act or the rules of
7 the Illinois Gaming Board or the Office of Gaming
8 Enforcement;

9 (6) to conduct all hearings, issue subpoenas for the
10 attendance of witnesses and subpoenas duces tecum for the
11 production of books, records, and other pertinent
12 documents in accordance with the Illinois Administrative
13 Procedure Act, and to administer oaths and affirmations to
14 the witnesses, when, in the judgment of the Illinois Gaming
15 Board or the Office of Gaming Enforcement, it is necessary
16 to administer or enforce this Act or the Illinois Gaming
17 Board or Office of Gaming Enforcement rules;

18 (7) to ensure that any Concessionaire or technical
19 operator maintains appropriate standards for Lottery
20 ticket vendors;

21 (8) to require that records, including financial or
22 other statements of any Concessionaire or technical
23 operator under this Act, shall be kept in such manner as
24 prescribed by the Illinois Gaming Board or the Office of
25 Gaming Enforcement and that any such Concessionaire or
26 technical operator regularly submit to the Illinois Gaming

1 Board and the Office of Gaming Enforcement a balance sheet
2 and profit and loss statement, list of the stockholders or
3 other persons having a beneficial interest in such amounts
4 as may be determined by the Illinois Gaming Board or the
5 Office of Gaming Enforcement, and any other information the
6 Illinois Gaming Board or the Office of Gaming Enforcement
7 deems necessary in order to effectively administer this Act
8 and all rules, regulations, orders, and final decisions
9 promulgated under this Act;

10 (9) to hire employees to gather information and carry
11 out any other tasks contemplated under this Act;

12 (10) to seek and receive the cooperation of the Office
13 of Gaming Enforcement in conducting any background
14 investigations of parties and in fulfilling its
15 responsibilities under this Act; and

16 (11) to take any other action as may be reasonable or
17 appropriate to enforce this Act and its rules and
18 regulations.

19 (c) The Office of Gaming Enforcement shall have enforcement
20 jurisdiction and oversight over all Lottery and Concession
21 operations governed by this Act and shall have all powers
22 necessary and proper to fully and effectively execute the
23 provisions of this Act. Its powers and duties include, without
24 limitation, the following:

25 (1) to promulgate such rules and regulations as in its
26 judgment may be necessary to protect or enhance the

1 credibility and integrity of the Lottery and enforce the
2 provisions of the Management and Concession Agreement
3 authorized by this Act and the regulatory process under
4 this Act;

5 (2) to be present through its inspectors and agents any
6 time Lottery operations are conducted pursuant to this Act
7 or the Management and Concession Agreement for the purpose
8 of determining compliance therewith, receiving complaints
9 from the public, and conducting such other investigations
10 into the conduct of Lottery games and operations and the
11 maintenance of all Lottery equipment as from time to time
12 the Board may deem necessary and proper;

13 (3) acting jointly with the Illinois Gaming Board, to
14 implement and administer the Concession and Management
15 Agreement, including, without limitation, the supervision
16 of the operation of the Lottery in accordance with this
17 Act, the rules and regulations of the Illinois Gaming Board
18 and Office of Gaming Enforcement adopted hereunder, and the
19 terms of the Management and Concession Agreement;

20 (4) to investigate parties providing Concession and
21 Lottery-related services;

22 (5) to enter the office, facilities, or other places of
23 business of a Concessionaire or technical operator, where
24 evidence of the compliance or noncompliance with the
25 provisions of this Act or the Management and Concession
26 Agreement is likely to be found;

1 (6) to investigate alleged violations of this Act or
2 the rules of the Illinois Gaming Board or the Office of
3 Gaming Enforcement on its own initiative or as requested by
4 the Illinois Gaming Board and if it deems appropriate, to
5 file complaints with the Illinois Gaming Board against a
6 Concessionaire or a technical operator and its contractors
7 and licensees;

8 (7) to ensure that any Concessionaire or technical
9 operator maintains appropriate standards for Lottery
10 ticket vendors;

11 (8) to hire employees to gather information, conduct
12 investigations, and carry out any other tasks contemplated
13 under this Act;

14 (9) to exchange fingerprint data with, and receive
15 criminal history record information from, the Federal
16 Bureau of Investigation, to the extent possible, and the
17 Department of State Police for use in considering
18 applicants for any license; and

19 (10) to take any other action as may be reasonable or
20 appropriate to enforce this Act and its rules and
21 regulations.

22 In the event that the State shall enter into a Management
23 and Concession Agreement, the Illinois Gaming Board may, on
24 behalf of the Concessionaire or technical operator, enter into
25 an agreement or agreements with the management of state
26 lotteries operated pursuant to the laws of other states for the

1 purpose of creating and operating a multi-state lottery game
2 wherein a separate and distinct prize pool would be combined to
3 award larger prizes to the public than could be offered by the
4 several state lotteries individually. In the event that the
5 State shall enter into a Management and Concession Agreement,
6 no tickets or shares offered in connection with a multi-state
7 lottery game shall be sold within the State, except those
8 offered by the Concessionaire or technical operator pursuant to
9 the terms of the Management and Concession Agreement and this
10 amendatory Act of the 95th General Assembly. No such agreement
11 shall purport to pledge the full faith and credit of the State
12 of Illinois or to waive the sovereign immunity of the State of
13 Illinois. No multi-state game prize awarded to a nonresident of
14 Illinois, with respect to a ticket or share purchased in a
15 state other than the State of Illinois, shall be deemed to be a
16 prize awarded under this Act for the purpose of taxation under
17 the Illinois Income Tax Act.

18 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

19 Sec. 7.1. Rules and Regulations.

20 (a) The Department shall promulgate such rules and
21 regulations governing the establishment and operation of a
22 State lottery as it deems necessary to carry out the purposes
23 of this Act. Such rules and regulations shall be subject to the
24 provisions of The Illinois Administrative Procedure Act. The
25 Division shall issue written game rules, play instructions,

1 directives, operations manuals, brochures, or any other
2 publications necessary to conduct specific games, as
3 authorized by rule by the Department. Any written game rules,
4 play instructions, directives, operations manuals, brochures,
5 or other game publications issued by the Division that relate
6 to a specific lottery game shall be maintained as a public
7 record in the Division's principal office, and made available
8 for public inspection and copying but shall be exempt from the
9 rulemaking procedures of the Illinois Administrative Procedure
10 Act. However, when such written materials contain any policy of
11 general applicability, the Division shall formulate and adopt
12 such policy as a rule in accordance with the provisions of the
13 Illinois Administrative Procedure Act. In addition, the
14 Division shall publish each January in the Illinois Register a
15 list of all game-specific rules, play instructions,
16 directives, operations manuals, brochures, or other
17 game-specific publications issued by the Division during the
18 previous year and instructions concerning how the public may
19 obtain copies of these materials from the Division.

20 (b) If the State enters into a Management and Concession
21 Agreement pursuant to which a Concessionaire is authorized to
22 manage or operate the Lottery, the Illinois Gaming Board shall
23 assume the Department's duties under this Section and Section
24 7.2 of this Act. The Concessionaire or technical operator shall
25 be permitted to immediately offer any lottery games in
26 operation on September 1, 2008. The Concessionaire or technical

1 operator may offer any additional lottery games, provided that
2 those lottery games are not substantially different from the
3 lottery games in operation on September 1, 2008, and provided
4 that those lottery games are authorized by the Illinois Gaming
5 Board. Lottery games that are substantially different from
6 those lottery games in operation on the effective date of this
7 amendatory Act of the 95th General Assembly include, but are
8 not limited to, the following: (i) games authorized, on the
9 effective date of this amendatory Act of the 95th General
10 Assembly, pursuant to the Illinois Horse Racing Act of 1975,
11 the Riverboat Gambling Act, the Raffles Act, the Illinois Pull
12 Tabs and Jar Games Act, and the Bingo License and Tax Act, (ii)
13 electronic poker, and (iii) any game conducted over the
14 Internet.

15 (Source: P.A. 94-776, eff. 5-19-06.)

16 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

17 Sec. 7.2. Matters included in rules and regulations. The
18 rules and regulations of the Department or, if the State enters
19 into a Management and Concession Agreement pursuant to which a
20 Concessionaire is authorized to manage or operate the lottery,
21 the Illinois Gaming Board may include, but shall not be limited
22 to, the following:

23 (1) The types of lotteries to be conducted, subject to the
24 provisions of subsection (b) of Section 7.1.†

25 (2) The price, or prices, of tickets or shares in the

1 lottery.†

2 (3) The numbers and sizes of the prizes on the winning
3 tickets or shares.†

4 (4) The manner of selecting the winning tickets or shares,
5 including the length of the claim period.†

6 (5) The manner of payment of prizes to the holders of
7 winning tickets or shares.†

8 (6) The frequency of the drawing or selections of winning
9 tickets or shares, without limitation.†

10 (7) Without limit to number, the type or types of locations
11 at which tickets or shares may be sold.†

12 (8) The method to be used in selling tickets or shares.†

13 (9) The manner and amount of compensation, if any, to be
14 paid licensed sales agents necessary to provide for the
15 adequate availability of tickets or shares to prospective
16 buyers and for the convenience of the public.†

17 (10) Unless the lottery is operated pursuant to the terms
18 of a Management and Concession Agreement, all ~~The~~ apportionment
19 of the total revenues accruing from the sale of lottery tickets
20 or shares and from all other sources among (i) the payment of
21 prizes to the holders of winning tickets or shares, (ii) the
22 payment of costs incurred in the operation and administration
23 of the lottery, including the expenses of the Department and
24 the costs resulting from any contract or contracts entered into
25 for promotional, advertising or operational services or for the
26 purchase or lease of lottery equipment and materials, and (iii)

1 for monthly transfers to the Common School Fund. The net
2 revenues accruing from the sale of lottery tickets shall be
3 determined by deducting from total revenues the payments
4 required by paragraphs (i) and (ii) of this subsection.

5 (11) Such other matters necessary or desirable for the
6 efficient and economical operation and administration of the
7 lottery or for the implementation and oversight of any
8 Management and Concession Agreement pursuant to which a
9 Concessionaire is authorized to manage or operate the Lottery
10 and for the convenience of the purchasers of tickets or shares
11 and the holders of winning tickets or shares.

12 ~~Any rules and regulations of the Department with respect to~~
13 ~~monthly transfers to the Common School Fund are subject to~~
14 ~~Section 21.2.~~

15 (Source: P.A. 84-1128.)

16 (20 ILCS 1605/7.3) (from Ch. 120, par. 1157.3)

17 Sec. 7.3. Hearings on violations; other hearings. The Board
18 shall designate Hearing Officers who shall conduct hearings
19 upon complaints charging violations of this Act or of
20 regulations thereunder, and such other hearings as may be
21 provided by Department rule. The Board may hear appeals from
22 the recommended decisions of its Hearing Officers in accordance
23 with procedures established by Department rule. Whenever the
24 Department issues a Notice of Assessment under Section 21 of
25 this Act, the lottery sales agent may protest such Notice by

1 filing a request for hearing within 20 days of the date of such
2 Notice.

3 (Source: P.A. 85-1224; 86-1475.)

4 (20 ILCS 1605/7.4) (from Ch. 120, par. 1157.4)

5 Sec. 7.4. Studies and investigations of lottery. The
6 Department or, if the State enters into a Management and
7 Concession Agreement pursuant to which a Concessionaire is
8 authorized to manage or operate the Lottery, the Illinois
9 Gaming Board shall carry on a continuous study and
10 investigation of the lottery throughout the State (1) for the
11 purpose of ascertaining any defects in this Act or in the rules
12 and regulations issued under this Act whereby any abuses in the
13 administration and operation of the lottery or any evasion of
14 this Act or the rules and regulations may arise or be
15 practiced, (2) for the purpose of formulating recommendations
16 for changes in this Act and the rules and regulations
17 promulgated hereunder to prevent such abuses and evasions, (3)
18 to guard against the use of this Act and the rules and
19 regulations issued hereunder as a cloak for the carrying on of
20 organized gambling and crime, and (4) to insure that the law
21 and rules and regulations shall be in such form and be so
22 administered as to serve the true purposes of this Act.

23 (Source: P.A. 84-1128.)

24 (20 ILCS 1605/7.5) (from Ch. 120, par. 1157.5)

1 Sec. 7.5. Reports on matters requiring changes in law. The
2 Board or, if the State enters into a Management and
3 Concessionaire Agreement pursuant to which a Concessionaire is
4 authorized to manage or operate the Lottery, the Illinois
5 Gaming Board shall report to the Governor, the Attorney
6 General, the Speaker of the House, the President of the Senate,
7 the minority leaders of both houses, and such other State
8 officers as from time to time it deems appropriate, any matters
9 which it deems to require an immediate change in the laws of
10 this State in order to prevent abuses and evasions of this Act
11 or rules and regulations promulgated thereunder or to rectify
12 undesirable conditions in connection with the administration
13 or operation of the lottery.

14 (Source: P.A. 84-1128.)

15 (20 ILCS 1605/7.8) (from Ch. 120, par. 1157.8)

16 Sec. 7.8. Annual report; report as public report. The
17 Department, or, if the State enters into a Management and
18 Concession Agreement pursuant to which a Concessionaire is
19 authorized to manage or operate the Lottery, the Illinois
20 Gaming Board shall make an annual report regarding the work of
21 the Board to the Governor, the Speaker of the House, the
22 President of the Senate, and the minority leaders of both
23 houses, such report to be a public report.

24 (Source: P.A. 84-1128.)

1 (20 ILCS 1605/7.8a) (from Ch. 120, par. 1157.8a)

2 Sec. 7.8a. Advertising policy. The Board shall establish
3 advertising policy to ensure that advertising content and
4 practices do not target with the intent to exploit specific
5 groups or economic classes of people, and that its content is
6 accurate and not misleading. The Board shall review, at least
7 quarterly, all past advertising and proposed concepts for major
8 media campaigns to ensure that they do not target with the
9 intent to exploit specific groups or economic classes of
10 people, and that their content is accurate and not misleading.
11 If the Board finds that advertising conflicts with such policy,
12 it shall have the authority to direct the Department to cease
13 that advertising. If the State enters into a Management and
14 Concession Agreement pursuant to which a Concessionaire is
15 authorized to manage or operate the Lottery and the
16 Concessionaire or a technical operator has the right to
17 undertake marketing and advertising activities, neither the
18 Concessionaire nor a technical operator, its contractors or
19 licensees, shall engage in advertising practices that target
20 with the intent to exploit specific groups or economic classes
21 of people, or that is inaccurate or misleading. The Illinois
22 Gaming Board may promulgate rules to implement this provision.
23 The Concessionaire or technical operator shall submit, for the
24 Illinois Gaming Board's review of content and determination of
25 compliance with this Section, all marketing and advertising
26 materials prior to their use. If the Illinois Gaming Board

1 finds that action proposed or taken by the Concessionaire or
2 technical operator, its contractors and licensees, conflicts
3 with those rules or policies, the Illinois Gaming Board shall
4 have the authority to direct the Concessionaire or technical
5 operator, its contractors and licensees, to cease or refrain
6 from taking that action or impose any other disciplinary action
7 provided by law. In addition to the provisions of this Section,
8 the Concessionaire or technical operator and its contractors
9 and licensees shall be subject to the provisions of the
10 Consumer Fraud and Deceptive Business Practices Act.

11 (Source: P.A. 85-183.)

12 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

13 Sec. 7.11. Unless the lottery is operated pursuant to the
14 terms of a Management and Concession Agreement, the ~~The~~
15 Division may establish and collect nominal charges for
16 promotional products ("premiums") and other promotional
17 materials produced or acquired by the Division as part of its
18 advertising and promotion activities. Such premiums or other
19 promotional materials may be sold to individuals, government
20 agencies and not-for-profit organizations, but not to
21 for-profit enterprises for the purpose of resale. Other State
22 agencies shall be charged no more than the cost to the Division
23 of the premium or promotional material. All proceeds from the
24 sale of premiums or promotional materials shall be deposited in
25 the State Lottery Fund in the State Treasury.

1 (Source: P.A. 94-776, eff. 5-19-06.)

2 (20 ILCS 1605/8.1) (from Ch. 120, par. 1158.1)

3 Sec. 8.1. Contracts; competitive negotiation. Contracts
4 for State Lottery tickets or shares or for other State Lottery
5 game related services shall be obtained through the utilization
6 of competitive negotiation procedures whenever practicable.

7 (Source: P.A. 84-268.)

8 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

9 Sec. 9. Duties of Superintendent. The Superintendent, as
10 administrative head of the Division, shall direct and supervise
11 all its administrative and technical activities and shall
12 report to the Director. In addition to the duties imposed upon
13 him or her elsewhere in this Act, it shall be the
14 Superintendent's duty:

15 a. To supervise and administer the operation of the lottery
16 in accordance with the provisions of this Act or such rules and
17 regulations of the Department adopted thereunder.

18 b. To attend meetings of the Board or to appoint a designee
19 to attend in his stead.

20 c. To employ and direct such personnel in accord with the
21 Personnel Code, as may be necessary to carry out the purposes
22 of this Act. The Superintendent may, subject to the approval of
23 the Director, use the services, personnel, or facilities of the
24 Department. In addition, the Superintendent may by agreement

1 secure such services as he or she may deem necessary from any
2 other department, agency, or unit of the State government, and
3 may employ and compensate such consultants and technical
4 assistants as may be required and is otherwise permitted by
5 law.

6 d. To license, in accordance with the provisions of
7 Sections 10 and 10.1 of this Act and the rules and regulations
8 of the Department adopted thereunder, or to ensure the
9 retention, pursuant to the terms of a Management and Concession
10 Agreement, as agents to sell lottery tickets such persons as in
11 his opinion will best serve the public convenience and promote
12 the sale of tickets or shares. Unless the lottery is operated
13 pursuant to the terms of a Management and Concession Agreement,
14 the ~~The~~ Superintendent may require a bond from every licensed
15 agent, in such amount as provided in the rules and regulations
16 of the Department. Every licensed agent shall prominently
17 display his or her license, or a copy thereof, as provided in
18 the rules and regulations of the Department.

19 e. To suspend or revoke any license issued pursuant to this
20 Act or the rules and regulations promulgated by the Department
21 thereunder.

22 f. To confer regularly as necessary or desirable and not
23 less than once every month with the Lottery Control Board on
24 the operation and administration of the Lottery; to make
25 available for inspection by the Board or any member of the
26 Board, upon request, all books, records, files, and other

1 information and documents of his office; to advise the Board
2 and recommend such rules and regulations and such other matters
3 as he deems necessary and advisable to improve the operation
4 and administration of the lottery or the implementation and
5 oversight of a Management and Concession Agreement.

6 g. To enter into contracts for the operation of the
7 lottery, or any part thereof, and, unless the lottery is
8 operated pursuant to the terms of a Management and Concession
9 Agreement, to enter into contracts for the promotion of the
10 lottery on behalf of the Department, with any person, firm or
11 corporation, to perform any of the functions provided for in
12 this Act or the rules and regulations promulgated thereunder.
13 The Department shall not expend State funds on a contractual
14 basis for such functions unless those functions and
15 expenditures are expressly authorized by the General Assembly.

16 h. Unless the State has entered into a Management and
17 Concession Agreement, to ~~to~~ enter into an agreement or
18 agreements with the management of state lotteries operated
19 pursuant to the laws of other states for the purpose of
20 creating and operating a multi-state lottery game wherein a
21 separate and distinct prize pool would be combined to award
22 larger prizes to the public than could be offered by the
23 several state lotteries, individually. No tickets or shares
24 offered in connection with a multi-state lottery game shall be
25 sold within the State of Illinois, except those offered by and
26 through the Department. No such agreement shall purport to

1 pledge the full faith and credit of the State of Illinois, nor
2 shall the Department expend State funds on a contractual basis
3 in connection with any such game unless such expenditures are
4 expressly authorized by the General Assembly, provided,
5 however, that in the event of error or omission by the Illinois
6 State Lottery in the conduct of the game, as determined by the
7 multi-state game directors, the Department shall be authorized
8 to pay a prize winner or winners the lesser of a disputed prize
9 or \$1,000,000, any such payment to be made solely from funds
10 appropriated for game prize purposes. The Department shall be
11 authorized to share in the ordinary operating expenses of any
12 such multi-state lottery game, from funds appropriated by the
13 General Assembly, and in the event the multi-state game control
14 offices are physically located within the State of Illinois,
15 the Department is authorized to advance start-up operating
16 costs not to exceed \$150,000, subject to proportionate
17 reimbursement of such costs by the other participating state
18 lotteries. The Department shall be authorized to share
19 proportionately in the costs of establishing a liability
20 reserve fund from funds appropriated by the General Assembly.
21 The Department is authorized to transfer prize award funds
22 attributable to Illinois sales of multi-state lottery game
23 tickets to the multi-state control office, or its designated
24 depository, for deposit to such game pool account or accounts
25 as may be established by the multi-state game directors, the
26 records of which account or accounts shall be available at all

1 times for inspection in an audit by the Auditor General of
2 Illinois and any other auditors pursuant to the laws of the
3 State of Illinois. No multi-state game prize awarded to a
4 nonresident of Illinois, with respect to a ticket or share
5 purchased in a state other than the State of Illinois, shall be
6 deemed to be a prize awarded under this Act for the purpose of
7 taxation under the Illinois Income Tax Act. All of the net
8 revenues accruing from the sale of multi-state lottery tickets
9 or shares shall be transferred into the Common School Fund
10 pursuant to Section 7.2. The Department shall promulgate such
11 rules as may be appropriate to implement the provisions of this
12 Section.

13 (h-1) In the event that the State enters into a Management
14 and Concession Agreement, to authorize a Concessionaire to
15 enter into an agreement or agreements with the management of
16 state lotteries operated pursuant to the laws of other states
17 for the purpose of creating and operating a multi-state lottery
18 game wherein a separate and distinct prize pool would be
19 combined to award larger prizes to the public than could be
20 offered by the several state lotteries individually. The
21 Superintendent shall not authorize the Concessionaire to take
22 such action unless the Illinois Gaming Board verifies that the
23 authorization derived from the agreement conforms to the
24 provisions of the Illinois Procurement Code and the State
25 Officials and Employees Ethics Act. No tickets or shares
26 offered in connection with a multi-state lottery game shall be

1 sold within the State of Illinois, except those offered by and
2 through the Concessionaire or technical operator pursuant to
3 the terms of the Management and Concession Agreement and this
4 amendatory Act of the 95th General Assembly. No such agreement
5 shall purport to pledge the full faith and credit of the State
6 of Illinois or to waive the sovereign immunity of the State of
7 Illinois, nor shall the Department expend State funds on a
8 contractual basis in connection with any such game unless such
9 expenditures are expressly authorized by the General Assembly.
10 To the extent authorized pursuant to the terms of a Management
11 and Concession Agreement, the Concessionaire shall be
12 authorized to share in the ordinary operating expenses of any
13 such multi-state lottery game, and in the event the multi-state
14 game control offices are physically located within the State of
15 Illinois, the Concessionaire is authorized to advance start-up
16 operating costs, subject to proportionate reimbursement of
17 such costs by the other participating state lotteries. The
18 Concessionaire shall be authorized to share proportionately in
19 the costs of establishing a liability reserve fund. The
20 Concessionaire is authorized to transfer prize award funds
21 attributable to Illinois sales of multi-state lottery game
22 tickets to the multi-state control office, or its designated
23 depository, for deposit to such game pool account or accounts
24 as may be established by the multi-state game directors, the
25 records of which account or accounts shall be available at all
26 times for inspection in an audit by the Illinois Gaming Board

1 and any auditors pursuant to the laws of the State of Illinois.
2 No multi-state game prize awarded to a nonresident of Illinois,
3 with respect to a ticket or share purchased in a state other
4 than the State of Illinois, shall be deemed to be a prize
5 awarded under this Act for the purpose of taxation under the
6 Illinois Income Tax Act. The Illinois Gaming Board and the
7 Department shall promulgate such rules as may be appropriate to
8 implement the provisions of this Section.

9 i. To make a continuous study and investigation of (1) the
10 operation and the administration of similar laws which may be
11 in effect in other states or countries, (2) any literature on
12 the subject which from time to time may be published or
13 available, (3) any Federal laws which may affect the operation
14 of the lottery, and (4) the reaction of Illinois citizens to
15 existing and potential features of the lottery with a view to
16 recommending or effecting changes that will tend to serve the
17 purposes of this Act.

18 j. To report monthly to the State Treasurer and the Lottery
19 Control Board a full and complete statement of lottery
20 revenues, prize disbursements and other expenses for each month
21 and the amounts to be transferred to the Common School Fund
22 pursuant to Section 7.2 or such other funds as are otherwise
23 authorized by Section 21.2 of this Act, and to make an annual
24 report, which shall include a full and complete statement of
25 lottery revenues, prize disbursements and other expenses, to
26 the Governor and the Board. All reports required by this

1 subsection shall be public and copies of all such reports shall
2 be sent to the Speaker of the House, the President of the
3 Senate, and the minority leaders of both houses.

4 k. If the State enters into a Management and Concession
5 Agreement, the Illinois Gaming Board shall assume the powers
6 and duties in this Section 9 to the extent they are applicable.

7 (Source: P.A. 94-776, eff. 5-19-06.)

8 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

9 Sec. 10. Licensing of agents to sell lottery tickets or
10 shares. The Division, upon application therefor on forms
11 prescribed by the Division, and upon a determination by the
12 Division that the applicant meets all of the qualifications
13 specified in this Act, shall issue a license as an agent to
14 sell lottery tickets or shares. No license as an agent to sell
15 lottery tickets or shares shall be issued to any person to
16 engage in business exclusively as a lottery sales agent.

17 Before issuing such license the Superintendent shall
18 consider (a) the financial responsibility and security of the
19 person and his business or activity, (b) the accessibility of
20 his place of business or activity to the public, (c) the
21 sufficiency of existing licenses to serve the public
22 convenience, (d) the volume of expected sales, and (e) such
23 other factors as he or she may deem appropriate.

24 Until September 1, 1987, the provisions of Sections 2a, 4,
25 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,

1 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
2 not inconsistent with this Act shall apply to the subject
3 matter of this Act to the same extent as if such provisions
4 were included in this Act. For purposes of this Act, references
5 in such incorporated Sections of the Retailers' Occupation Tax
6 Act to retailers, sellers or persons engaged in the business of
7 selling tangible personal property mean persons engaged in
8 selling lottery tickets or shares; references in such
9 incorporated Sections to sales of tangible personal property
10 mean the selling of lottery tickets or shares; and references
11 in such incorporated Sections to certificates of registration
12 mean licenses issued under this Act. The provisions of the
13 Retailers' Occupation Tax Act as heretofore applied to the
14 subject matter of this Act shall not apply with respect to
15 tickets sold by or delivered to lottery sales agents on and
16 after September 1, 1987, but such provisions shall continue to
17 apply with respect to transactions involving the sale and
18 delivery of tickets prior to September 1, 1987.

19 All licenses issued by the Division under this Act shall be
20 valid for a period not to exceed 2 years after issuance unless
21 sooner revoked, canceled or suspended as in this Act provided.
22 No license issued under this Act shall be transferable or
23 assignable. Such license shall be conspicuously displayed in
24 the place of business conducted by the licensee in Illinois
25 where lottery tickets or shares are to be sold under such
26 license.

1 For purposes of this Section, the term "person" shall be
2 construed to mean and include an individual, association,
3 partnership, corporation, club, trust, estate, society,
4 company, joint stock company, receiver, trustee, referee, any
5 other person acting in a fiduciary or representative capacity
6 who is appointed by a court, or any combination of individuals.
7 "Person" includes any department, commission, agency or
8 instrumentality of the State, including any county, city,
9 village, or township and any agency or instrumentality thereof.

10 If the State enters into a Management and Concession
11 Agreement pursuant to which the State authorizes a
12 Concessionaire or technical operator to retain agents to
13 distribute lottery tickets, the Division shall cease issuing
14 licenses to agents to sell lottery tickets or shares during the
15 term of the Management and Concession Agreement. In retaining
16 such agents, the Concessionaire or technical operator shall
17 apply appropriate criteria in determining suitability of those
18 agents, including without limitation, criteria establishing
19 the ineligibility for a license as set forth in Section 10.1 of
20 this Act. Further, the Concessionaire or technical operator
21 shall provide to the Department and the Illinois Gaming Board,
22 not less than monthly, a list of all agents the Concessionaire
23 or technical operator has engaged to distribute lottery tickets
24 or shares, which statement shall include a certification that
25 all such agents comply with the eligibility standards set forth
26 in this Act.

1 (Source: P.A. 94-776, eff. 5-19-06.)

2 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

3 Sec. 10.1. Persons ineligible for licenses. The following
4 are ineligible for any license under this Act:

5 (a) any person who has been convicted of a felony;

6 (b) any person who is or has been a professional gambler or
7 gambling promoter, except when the person acted in such a
8 capacity pursuant to and in compliance with all applicable law;

9 (c) any person who has engaged in bookmaking or other forms
10 of illegal gambling;

11 (d) any person who is not of good character and reputation
12 in the community in which he resides;

13 (e) any person who has been found guilty of any fraud or
14 misrepresentation in any connection;

15 (f) any firm or corporation in which a person defined in
16 (a), (b), (c), (d) or (e) has a proprietary, equitable or
17 credit interest of 5% or more.

18 (g) any organization in which a person defined in (a), (b),
19 (c), (d) or (e) is an officer, director, or managing agent,
20 whether compensated or not;

21 (h) any organization in which a person defined in (a), (b),
22 (c), (d), or (e) is to participate in the management or sales
23 of lottery tickets or shares.

24 However, with respect to persons defined in (a), the
25 Department may grant any such person a license under this Act

1 when:

2 1) at least 10 years have elapsed since the date when the
3 sentence for the most recent such conviction was satisfactorily
4 completed;

5 2) the applicant has no history of criminal activity
6 subsequent to such conviction;

7 3) the applicant has complied with all conditions of
8 probation, conditional discharge, supervision, parole or
9 mandatory supervised release; and

10 4) the applicant presents at least 3 letters of
11 recommendation from responsible citizens in his community who
12 personally can attest that the character and attitude of the
13 applicant indicate that he is unlikely to commit another crime.

14 The Division may revoke, without notice or a hearing, the
15 license of any agent who violates this Act or any rule or
16 regulation promulgated pursuant to this Act. If the State
17 enters into a Management and Concession Agreement pursuant to
18 which the State authorizes a Concessionaire or technical
19 operator to engage any sales agent, the Illinois Gaming Board
20 shall have the power to revoke any such agency pursuant to the
21 provisions of this Act. However, if the Division does revoke a
22 license without notice and an opportunity for a hearing, the
23 Division shall, by appropriate notice, afford the person whose
24 license has been revoked an opportunity for a hearing within 30
25 days after the revocation order has been issued. As a result of
26 any such hearing, the Division may confirm its action in

1 revoking the license, or it may order the restoration of such
2 license.

3 (Source: P.A. 94-776, eff. 5-19-06.)

4 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

5 Sec. 10.1a. Failure to satisfy tax Act requirements. In
6 addition to other grounds specified in this Act, the Division
7 shall refuse to issue and shall suspend the license of any
8 lottery sales agency who fails to file a return, or to pay the
9 tax, penalty or interest shown in a filed return, or to pay any
10 final assessment of tax, penalty or interest, as required by
11 any tax Act administered by the Department, until such time as
12 the requirements of any such tax Act are satisfied, unless the
13 agency is contesting, in accordance with the procedures
14 established by the appropriate revenue Act, its liability for
15 the tax or the amount of tax. If the State enters into a
16 Management and Concession Agreement pursuant to which the State
17 authorizes a Concessionaire or technical operator to engage any
18 sales agent, the Illinois Gaming Board may direct the
19 Concessionaire or technical operator to refrain from engaging
20 or to suspend the engagement of any party acting or seeking to
21 act as a sales agent, based on the grounds specified in this
22 Section. The Division shall affirmatively verify the tax status
23 of every sales agency before issuing or renewing a license,
24 except that, if the State enters into a Management and
25 Concession Agreement pursuant to which the State authorizes a

1 Concessionaire to engage any sales agent, the Department shall
2 verify the tax status of each agent from the list of agents
3 provided by the Concessionaire pursuant to Section 10 of this
4 Act and provide that information to the Illinois Gaming Board.

5 For purposes of this Section, a sales agency shall not be
6 considered delinquent in the payment of a tax if the agency (a)
7 has entered into an agreement with the Department for the
8 payment of all such taxes that are due and (b) is in compliance
9 with the agreement.

10 (Source: P.A. 94-776, eff. 5-19-06.)

11 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

12 Sec. 10.2. Application and other fees. Each application
13 for a new lottery license must be accompanied by a one-time
14 application fee of \$50; the Division, however, may waive the
15 fee for licenses of limited duration as provided by Department
16 rule. Each application for renewal of a lottery license must be
17 accompanied by a renewal fee of \$25. Each lottery licensee
18 granted on-line status pursuant to the Department's rules must
19 pay a fee of \$10 per week as partial reimbursement for
20 telecommunications charges incurred by the Department in
21 providing access to the lottery's on-line gaming system. The
22 Department, by rule, may increase or decrease the amount of
23 these fees. No Concessionaire or technical operator that may
24 retain sales agents for the Lottery pursuant to the terms of a
25 Management and Concession Agreement may assess any fee pursuant

1 this Section.

2 (Source: P.A. 93-840, eff. 7-30-04; 94-776, eff. 5-19-06.)

3 (20 ILCS 1605/10.3) (from Ch. 120, par. 1160.3)

4 Sec. 10.3. Proceeds received by sales agent. All proceeds
5 from the sale of lottery tickets or shares received by a person
6 in the capacity of a sales agent shall constitute a trust fund
7 until paid to the Department either directly, or through the
8 Department's authorized collection representative. Proceeds
9 shall include unsold instant tickets received by a sales agent
10 and cash proceeds of sale of any lottery products, net of
11 allowable sales commissions and credit for lottery prizes paid
12 to winners by sales agents. Sales proceeds and unsold instant
13 tickets shall be delivered to the Department or its authorized
14 collection representative upon demand. Sales agents shall be
15 personally liable for all proceeds which shall be kept separate
16 and apart from all other funds and assets and shall not be
17 commingled with any other funds or assets. In the case of a
18 sales agent who is not an individual, personal liability shall
19 attach to the owners and officers of the sales agent. The
20 Department shall have a right to file a lien upon all real and
21 personal property of any person who is personally liable under
22 this Section for any unpaid proceeds, which were to be
23 segregated as a trust fund under this Section, at any time
24 after such payment was to have been made. Such lien shall
25 include any interest and penalty provided for by this Act and

1 shall be deemed equivalent to, and have the same effect as, the
2 State tax lien under the Retailers' Occupation Tax Act. The
3 term "person" as used in this Section, and in Section 10.4 of
4 this Act, shall have the same meaning as provided in Section 10
5 of this Act. This Section, and Sections 10.4 and 10.5 of this
6 Act shall apply with respect to all lottery tickets or shares
7 generated by computer terminal, other electronic device, and
8 any other tickets delivered to sales agents on and after
9 September 1, 1987. If the State enters into a Management and
10 Concession Agreement pursuant to which a Concessionaire is
11 authorized to manage or operate the Lottery: (i) the
12 Concessionaire may be the Department's authorized collection
13 representative; and (ii) no such arrangement shall diminish the
14 Department's rights pursuant to this Section. For purposes of
15 this Section, "sales agent" includes any sales agent engaged by
16 a Concessionaire pursuant to the terms of a Management and
17 Concession Agreement.

18 (Source: P.A. 86-905.)

19 (20 ILCS 1605/10.4) (from Ch. 120, par. 1160.4)

20 Sec. 10.4. Proceeds received by sales agent; violations.
21 Every person who shall violate the provisions of Section 10.3,
22 or who does not segregate and keep separate and apart from all
23 other funds and assets, all proceeds from the sale of lottery
24 tickets received by a person in the capacity of a sales agent,
25 shall upon conviction thereof be guilty of a Class 4 felony.

1 The provisions of this Section shall be enforced by the
2 Illinois Department of State Police and prosecuted by the
3 Attorney General.

4 (Source: P.A. 85-183; 86-1475.)

5 (20 ILCS 1605/10.5) (from Ch. 120, par. 1160.5)

6 Sec. 10.5. Sales agent; insolvency. Whenever any person who
7 receives proceeds from the sale of lottery tickets in the
8 capacity of sales agent becomes insolvent, or dies insolvent,
9 the proceeds due the Department from such person or his estate
10 shall have preference over all debts or demands, except as
11 follows:

12 (a) Amounts due for necessary funeral expenses;

13 (b) Amounts due for medical care and medicine during his
14 most recent illness preceding death;

15 (c) Debts due to the United States;

16 (d) Debts due to the State of Illinois and all State and
17 local taxes; and

18 (e) Wages for labor performed within the 6 months
19 immediately preceding the death of such deceased person, not
20 exceeding \$1,000 due to another person and provided further
21 that such proceeds shall be nondischargeable in insolvency
22 proceedings instituted pursuant to Chapter 7, Chapter 11, or
23 Chapter 13 of the Federal Bankruptcy Act.

24 (Source: P.A. 85-183.)

1 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

2 Sec. 10.6. Odds of winning. The Division shall make an
3 effort to more directly inform players of the odds of winning
4 prizes. This effort shall include, at a minimum, that the
5 Division require all ticket agents to display a placard stating
6 the odds of winning for each game offered by that agent. In the
7 event that the State shall enter into a Management and
8 Concession Agreement, the Concessionaire shall be obligated to
9 comply with the requirements of this Section 10.6.

10 (Source: P.A. 94-776, eff. 5-19-06.)

11 (20 ILCS 1605/10.7)

12 Sec. 10.7. Compulsive gambling.

13 (a) Each lottery sales agent shall post a statement
14 regarding obtaining assistance with gambling problems and
15 including a toll-free "800" telephone number providing crisis
16 counseling and referral services to families experiencing
17 difficulty as a result of problem or compulsive gambling. The
18 text of the statement shall be determined by rule by the
19 Department of Human Services, shall be no more than one
20 sentence in length, and shall be posted on the placard required
21 under Section 10.6. The signs shall be provided by the
22 Department of Human Services.

23 (b) The Division shall print a statement regarding
24 obtaining assistance with gambling problems, the text of which
25 shall be determined by rule by the Department of Human

1 Services, on all paper stock it provides to the general public.

2 (c) The Division shall print a statement of no more than
3 one sentence in length regarding obtaining assistance with
4 gambling problems and including a toll-free "800" number
5 providing crisis counseling and referral services to families
6 experiencing difficulty as a result of problem or compulsive
7 gambling on the back of all lottery tickets.

8 (d) If the State enters into a Management and Concession
9 Agreement pursuant to which a Concessionaire is authorized to
10 manage or operate the Lottery, the Concessionaire shall assume
11 and discharge all duties of the Division under subsections (a),
12 (b), and (c) of this Section.

13 (Source: P.A. 94-776, eff. 5-19-06.)

14 (20 ILCS 1605/11) (from Ch. 120, par. 1161)

15 Sec. 11. Officers and employees; civil or criminal
16 penalties; devolution of powers or duties. Every officer and
17 employee shall for any offense be subject to the same penalty
18 or penalties, civil or criminal, as are prescribed by existing
19 law for the same offense by any officer or employee whose
20 powers or duties devolve upon him under this Act.

21 (Source: P.A. 78-3rd S.S.-20.)

22 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

23 Sec. 12. Public inspection and copying of records and data;
24 exceptions. The public inspection and copying of the records

1 and data of the Division and the Board shall be generally
2 governed by the provisions of the Freedom of Information Act
3 except that the following shall additionally be exempt from
4 inspection and copying:

5 (i) information privileged against introduction in
6 judicial proceedings;

7 (ii) internal communications of the several agencies;

8 (iii) information concerning secret manufacturing
9 processes or confidential data submitted by any person
10 under this Act;

11 (iv) any creative proposals, scripts, storyboards or
12 other materials prepared by or for the Division or a
13 Concessionaire under a Management and Concession
14 Agreement, prior to the placement of the materials in the
15 media, if the prior release of the materials would
16 compromise the effectiveness of an advertising campaign.

17 (Source: P.A. 94-776, eff. 5-19-06.)

18 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

19 Sec. 13. Right to prize; payment. Except as otherwise
20 provided in Section 13.1, no prize, nor any portion of a prize,
21 nor any right of any person to a prize awarded shall be
22 assignable. Any prize, or portion thereof remaining unpaid at
23 the death of a prize winner, may be paid to the estate of such
24 deceased prize winner, or to the trustee under a revocable
25 living trust established by the deceased prize winner as

1 settlor, provided that a copy of such a trust has been filed
2 with the Department along with a notarized letter of direction
3 from the settlor and no written notice of revocation has been
4 received by the Division prior to the settlor's death.
5 Following such a settlor's death and prior to any payment to
6 such a successor trustee, the Superintendent shall obtain from
7 the trustee a written agreement to indemnify and hold the
8 Department and the Division harmless with respect to any claims
9 that may be asserted against the Department or the Division
10 arising from payment to or through the trust. Notwithstanding
11 any other provision of this Section, any person pursuant to an
12 appropriate judicial order may be paid the prize to which a
13 winner is entitled, and all or part of any prize otherwise
14 payable by State warrant under this Section shall be withheld
15 upon certification to the State Comptroller from the Department
16 of Healthcare and Family Services as provided in Section
17 10-17.5 of The Illinois Public Aid Code. The Director and the
18 Superintendent shall be discharged of all further liability
19 upon payment of a prize pursuant to this Section.

20 If the State enters into a Management and Concession
21 Agreement pursuant to which a payor other than the State, or a
22 department, division, agency, or other unit of the State shall
23 have the obligation to pay a prize, except as otherwise
24 provided in Section 13.1, neither a prize, nor any portion of a
25 prize, nor any right of any person to a prize awarded shall be
26 assignable. Any prize, or portion thereof remaining unpaid at

1 the death of a prize winner, may be paid to the estate of that
2 deceased prize winner, or to the trustee under a revocable
3 living trust established by the deceased prize winner as
4 settlor, provided that a copy of that trust has been delivered
5 to the third party prize payor along with a notarized letter of
6 direction from the settlor and no written notice of revocation
7 has been received by the third party prize payor prior to the
8 settlor's death. Following such a settlor's death and prior to
9 any payment to such a successor trustee, the third party prize
10 payor shall obtain from the trustee a written agreement to
11 indemnify and hold the third party prize payor and the State
12 harmless with respect to any claims that may be asserted
13 against such third party prize payor or the State arising from
14 the payment of the prize to or through the trust. The Director
15 shall be discharged of all further liability upon payment of a
16 prize pursuant to this Section and shall in no event be liable
17 for any failure of a Concessionaire to pay any prize.

18 (Source: P.A. 94-776, eff. 5-19-06; 95-331, eff. 8-21-07.)

19 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

20 Sec. 14. Sale of ticket or share at greater than fixed
21 price; sale or resale of tickets or shares; charging a fee to
22 redeem winning ticket or share; punishment. No person shall
23 sell a ticket or share at a price greater than that fixed by
24 rule or regulation of the Department or the Division or, if the
25 Lottery is managed or operated pursuant to a Management and

1 Concession Agreement, the Illinois Gaming Board. No person
2 other than a licensed lottery sales agent or distributor or a
3 Concessionaire or a technical operator, its contractors or
4 licensees, or a sales agent engaged by a Concessionaire
5 pursuant to the terms of a Management and Concession Agreement
6 shall sell or resell lottery tickets or shares. No person shall
7 charge a fee to redeem a winning ticket or share.

8 Any person convicted of violating this Section shall be
9 guilty of a Class B misdemeanor; provided, that if any offense
10 under this Section is a subsequent offense, the offender shall
11 be guilty of a Class 4 felony.

12 (Source: P.A. 94-776, eff. 5-19-06.)

13 (20 ILCS 1605/14.2) (from Ch. 120, par. 1164.2)

14 Sec. 14.2. Lottery ticket fraud; prima facie evidence. Any
15 person who, with intent to defraud, shall falsely make, alter,
16 forge, utter, pass or counterfeit a lottery ticket or share
17 issued by the State of Illinois under this Act shall be guilty
18 of a Class 4 felony.

19 It shall be prima facie evidence of intent to defraud for a
20 person to possess a lottery ticket or share issued by the State
21 under this Act if he or she knows that ticket or share was
22 falsely made, altered, forged, uttered, passed, or
23 counterfeited.

24 (Source: P.A. 89-466, eff. 6-13-96.)

1 (20 ILCS 1605/14.3)

2 Sec. 14.3. Misuse of proprietary material prohibited.
3 Except as may be provided in Section 7.11, or by bona fide sale
4 or by prior authorization from the Department or the Division,
5 or otherwise by law, all premiums, promotional and other
6 proprietary material produced or acquired by the Division as
7 part of its advertising and promotional activities shall remain
8 the property of the Department. Nothing herein shall be
9 construed to affect the rights or obligations of the Department
10 or any other person under federal or State trademark or
11 copyright laws, nor shall anything herein be construed to
12 prevent the Department from assigning its rights in such
13 property to a Concessionaire pursuant to a Management and
14 Concession Agreement.

15 (Source: P.A. 94-776, eff. 5-19-06.)

16 (20 ILCS 1605/15) (from Ch. 120, par. 1165)

17 Sec. 15. Prohibition against minors under 18 years of age
18 and certain other persons purchasing or being furnished lottery
19 tickets or shares. No minor under 18 years of age shall buy a
20 lottery ticket or share. No person shall sell, distribute
21 samples of, or furnish a lottery ticket or share to any minor
22 under 18 years of age, buy a lottery ticket or share for any
23 minor under 18 years of age, or aid and abet in the purchase of
24 lottery tickets or shares by a minor under 18 years of age.

25 No ticket or share shall be purchased by, and no prize

1 shall be paid to any of the following persons: any member of
2 the Board or any officer or other person employed by the Board
3 or by the Department or by the Concessionaire or any party with
4 which the Concessionaire may contract to operate the Lottery;
5 any spouse, child, brother, sister or parent residing as a
6 member of the same household in the principal place of abode of
7 any such persons; or any minor under 18 years of age.

8 Any violation of this Section by a person other than the
9 purchasing minor shall be a Class B misdemeanor; provided, that
10 if any violation of this Section is a subsequent violation, the
11 offender shall be guilty of a Class 4 felony. Notwithstanding
12 any provision to the contrary, a violation of this Section by a
13 minor under 18 years of age shall be a petty offense.

14 (Source: P.A. 90-346, eff. 8-8-97.)

15 (20 ILCS 1605/16) (from Ch. 120, par. 1166)

16 Sec. 16. Violations of Act, rules, or regulations;
17 punishment; enforcement. It shall be a Class B misdemeanor to
18 violate this Act or any rule or regulation promulgated
19 thereunder, or knowingly to submit any false information under
20 this Act or rules or regulations adopted thereunder; except
21 that, if any person engages in such offense after one or more
22 prior convictions under this Act, or any law of the United
23 States or of any State relating to gambling or State operated
24 lotteries, he shall be guilty of a Class 4 felony. It shall be
25 the duty of all State and local law enforcement officers to

1 enforce such Act and regulations.

2 (Source: P.A. 78-3rd S.S.-20.)

3 (20 ILCS 1605/17) (from Ch. 120, par. 1167)

4 Sec. 17. Other laws providing penalty or disability for
5 sale of lottery tickets or shares inapplicable. No other law
6 providing any penalty or disability for the sale of lottery
7 tickets or shares or any acts done in connection with the
8 lottery established under this Act shall apply to the sale of
9 tickets or shares performed pursuant to this Act.

10 (Source: P.A. 81-477.)

11 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

12 Sec. 19. Claiming prizes. The Division shall establish an
13 appropriate period for the claiming of prizes for each lottery
14 game offered. Each claim period shall be stated in game rules
15 and written play instructions issued by the Superintendent in
16 accordance with Section 7.1 of this Act or, if the State enters
17 into a Management and Concession Agreement pursuant to which a
18 Concessionaire shall manage or operate the Lottery, such rules
19 and written play instructions as may be issued in accordance
20 with the terms of the Management and Concession Agreement, but
21 subject to change by rule of the Illinois Gaming Board. Written
22 play instructions shall be made available to all players
23 through sales agents licensed to sell game tickets or shares.
24 Prizes for lottery games which involve the purchase of a

1 physical lottery ticket may be claimed only by presentation of
2 a valid winning lottery ticket that matches validation records
3 on file with the Lottery or, if the State enters into a
4 Management and Concession Agreement pursuant to which a
5 Concessionaire manages or operates the Lottery, the records on
6 file with that Concessionaire or technical operator, its
7 contractors and licensees; no claim may be honored which is
8 based on the assertion that the ticket was lost or stolen. No
9 lottery ticket which has been altered, mutilated, or fails to
10 pass validation tests shall be deemed to be a winning ticket.

11 If no claim is made for the money within the established
12 claim period, the prize may be included in the prize pool of
13 such special drawing or drawings as the Division may, from time
14 to time, designate, except, in the event the Lottery is
15 operated pursuant to the terms of a Management and Concession
16 Agreement, then the unclaimed prize money shall be transferred
17 to the Common School Fund. Unclaimed multi-state game prize
18 money may be included in the multi-state prize pool for such
19 special drawing or drawings as the multi-state game directors
20 may, from time to time, designate, unless the lottery is
21 operated pursuant to the terms of a Management and Concession
22 Agreement, in which case all unclaimed prize money not included
23 in the prize pool of a special drawing shall be transferred to
24 the Common School Fund. Unless the lottery is operated pursuant
25 to the terms of a Management and Concession Agreement, any. ~~Any~~
26 bonuses offered by the Department to sales agents who sell

1 winning tickets or shares shall be payable to such agents
2 regardless of whether or not the prize money on the ticket or
3 share is claimed, provided that the agent can be identified as
4 the vendor of the winning ticket or share, and that the winning
5 ticket or share was sold on or after January 1, 1984. ~~All~~
6 ~~unclaimed prize money not included in the prize pool of a~~
7 ~~special drawing shall be transferred to the Common School Fund.~~
8 (Source: P.A. 94-776, eff. 5-19-06.)

9 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

10 Sec. 20. State Lottery Fund.

11 (a) There is created in the State Treasury a special fund
12 to be known as the "State Lottery Fund". Such fund shall
13 consist of all revenues received from (1) the sale of lottery
14 tickets or shares, (net of commissions, fees representing those
15 expenses that are directly proportionate to the sale of tickets
16 or shares at the agent location, and prizes of less than \$600
17 which have been validly paid at the agent level), (2)
18 application fees, and (3) all other sources including moneys
19 credited or transferred thereto from any other fund or source
20 pursuant to law and, if the State enters into a Management and
21 Concession Agreement, any moneys accruing to the State pursuant
22 to the terms of that Agreement. Interest earnings of the State
23 Lottery Fund shall be credited to the Common School Fund.

24 (b) The receipt and distribution of moneys under Section
25 21.5 of this Act shall be in accordance with Section 21.5.

1 (c) The receipt and distribution of moneys under Section
2 21.6 of this Act shall be in accordance with Section 21.6.

3 (d) The receipt and distribution of moneys under Section
4 21.7 of this Act shall be in accordance with Section 21.7.

5 (e) ~~(d)~~ The receipt and distribution of moneys under
6 Section 21.8 ~~21.7~~ of this Act shall be in accordance with
7 Section 21.8 ~~21.7~~.

8 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
9 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.
10 10-11-07; revised 12-5-07.)

11 (20 ILCS 1605/20.2 new)

12 Sec. 20.2. Transfer of moneys from State Lottery Fund to
13 Common School Fund. Notwithstanding any provision set forth in
14 this Act or State law to the contrary, on or before the last
15 day of each fiscal year the State Comptroller shall direct and
16 the State Treasurer shall transfer moneys in and revenues
17 received by the State Lottery Fund to the Common School Fund.

18 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

19 Sec. 21. Payments or deposits of moneys and income. All
20 lottery sales agents or distributors shall be liable to the
21 Lottery for any and all tickets accepted or generated by any
22 employee or representative of that agent or distributor, and
23 such tickets shall be deemed to have been purchased by the
24 agent or distributor unless returned to the Lottery within the

1 time and in the manner prescribed by the Superintendent, or if
2 the State enters into a Management and Concession Agreement
3 pursuant to which a Concessionaire or technical operator
4 engages sales agents or distributors, to such Concessionaire as
5 may be allowed according to the terms of the Management and
6 Concession Agreement within the time and in the manner
7 prescribed by the Illinois Gaming Board Superintendent. All
8 moneys received by such agents or distributors from the sale of
9 lottery tickets or shares, less the amount retained as
10 compensation for the sale of the tickets or shares and the
11 amount paid out as prizes, shall be paid over to a lottery
12 representative or deposited in a bank or savings and loan
13 association approved by the State Treasurer, as prescribed by
14 the Superintendent or, if the State enters into a Management
15 and Concession Agreement pursuant to which those moneys are to
16 be held by a trustee, to that trustee and in accordance with
17 such terms as may be set forth in the Management and Concession
18 Agreement.

19 No bank or savings and loan association shall receive any
20 ~~public~~ funds as permitted by this Section, unless it has
21 complied with the requirements established pursuant to Section
22 6 of the Public Funds Investment Act.

23 Each payment or deposit shall be accompanied by a report of
24 the agent's receipts and transactions in the sale of lottery
25 tickets in such form and containing such information as the
26 Superintendent, or if the State enters into a Management and

1 Concession Agreement, as the Concessionaire may require. Any
2 discrepancies in such receipts and transactions may be resolved
3 as provided by the rules and regulations of the Department.

4 If any money due the Lottery by a sales agent or
5 distributor is not paid when due or demanded, it shall
6 immediately become delinquent and be billed on a subsequent
7 monthly statement. If on the closing date for any monthly
8 statement a delinquent amount previously billed of more than
9 \$50 remains unpaid, interest in such amount shall be accrued at
10 the rate of 2% per month or fraction thereof from the date when
11 such delinquent amount becomes past due until such delinquent
12 amount, including interest, penalty and other costs and charges
13 that the Department may incur in collecting such amounts, is
14 paid. In case any agent or distributor fails to pay any moneys
15 due the Lottery within 30 days after a second bill or statement
16 is rendered to the agent or distributor, such amount shall be
17 deemed seriously delinquent and may be referred by the
18 Department to a collection agency or credit bureau for
19 collection. Any contract entered into by the Department for the
20 collection of seriously delinquent accounts with a collection
21 agency or credit bureau may be satisfied by a commercially
22 reasonable percentage of the delinquent account recouped,
23 which shall be negotiated by the Department in accordance with
24 commercially accepted standards. Any costs incurred by the
25 Department or others authorized to act in its behalf in
26 collecting such delinquencies may be assessed against the agent

1 or distributor and included as a part of the delinquent
2 account.

3 In case of failure of an agent or distributor to pay a
4 seriously delinquent amount, or any portion thereof to the
5 State, including interest, penalty and costs, the Division may
6 issue a Notice of Assessment. In determining amounts shown on
7 the Notice of Assessment, the Division shall utilize the
8 financial information available from its records. Such Notice
9 of Assessment shall be prima facie correct and shall be prima
10 facie evidence of delinquent sums due under this Section at any
11 hearing before the Board, or its Hearing Officers, or at any
12 other legal proceeding. Reproduced copies of the Division's
13 records relating to a delinquent account or a Notice of
14 Assessment offered in the name of the Department, under the
15 Certificate of the Director or any officer or employee of the
16 Department designated in writing by the Director shall, without
17 further proof, be admitted into evidence in any such hearing or
18 any legal proceeding and shall be prima facie proof of the
19 delinquency, including principal and any interest, penalties
20 and costs, as shown thereon. The Attorney General may bring
21 suit on behalf of the Department to collect all such delinquent
22 amounts, or any portion thereof, including interest, penalty
23 and costs, due the Lottery.

24 Any person who accepts money that is due to the Department
25 from the sale of lottery tickets or shares under this Act, but
26 who wilfully fails to remit such payment to the Department when

1 due or who purports to make such payment but wilfully fails to
2 do so because such ~~his check or other~~ remittance fails to clear
3 the financial institution ~~bank or savings and loan association~~
4 against which it is drawn, in addition to the amount due and in
5 addition to any other penalty provided by law, shall be
6 assessed, and shall pay, a penalty equal to 5% of the
7 deficiency plus any costs or charges incurred by the Department
8 in collecting such amount.

9 The Director may make such arrangements for any person(s),
10 financial institution, ~~banks, savings and loan associations~~ or
11 distributors, to perform such functions, activities or
12 services in connection with the operation of the lottery as he
13 deems advisable pursuant to this Act, the State Comptroller
14 Act, or the rules and regulations of the Department, and such
15 functions, activities or services shall constitute lawful
16 functions, activities and services of such person(s), banks,
17 savings and loan associations or distributors.

18 All income arising out of any activity or purpose of the
19 Division shall, pursuant to the State Finance Act, be paid into
20 the State Treasury except as otherwise provided by the rules
21 and regulations of the Department and shall be covered into a
22 special fund to be known as the State Lottery Fund. Banks and
23 savings and loan associations may be compensated for services
24 rendered based upon the activity and amount of funds on
25 deposit.

26 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/21.2) (from Ch. 120, par. 1171.2)

2 Sec. 21.2. (Repealed). ~~There is created a special fund in~~
3 ~~the State Treasury known as the Illinois Land Grant Collegiate~~
4 ~~Athletics Fund. The Department shall designate a special~~
5 ~~lottery game of its choosing which it shall prepare and offer~~
6 ~~for sale to the public, the net proceeds from which shall be~~
7 ~~transferred to such fund for distribution to the University of~~
8 ~~Illinois Athletic Association as otherwise authorized by law.~~

9 (Source: P.A. 84-1128.)

10 (20 ILCS 1605/21.3) (from Ch. 120, par. 1171.3)

11 Sec. 21.3. Officer of corporation; personal liability. Any
12 officer of any corporation licensed as an agent for the sale of
13 Lottery tickets and products shall be personally liable for the
14 total amount of Lottery receipts due the Department which are
15 unpaid by the corporation, together with any interest and
16 penalties thereon assessed in accordance with the provision of
17 Section 21 of the Act.

18 The personal liability of a corporate officer as provided
19 herein shall survive the dissolution of the corporation. No
20 action to enforce such personal liability shall be commenced
21 unless a notice of the delinquent account has been sent to such
22 corporate officer at the address shown on the Lottery records
23 or otherwise known to Department officials, and no such action
24 shall be commenced after the expiration of 3 years from the

1 date of the Department's notice of delinquent account or the
2 termination of any court proceedings with respect to the issue
3 of the delinquency of a corporation.

4 Procedures for protest and review of a notice of the
5 Department's intention to enforce personal liability against a
6 corporate officer shall be the same as those prescribed for
7 protest and review of the Notice of Assessment as set forth in
8 Section 7.3 of this Act.

9 (Source: P.A. 88-522.)

10 (20 ILCS 1605/21.5)

11 Sec. 21.5. Superintendent Carolyn Adams Ticket For The
12 Cure.

13 (a) The Department shall offer a special instant
14 scratch-off game with the title of "Carolyn Adams Ticket For
15 The Cure". The game shall commence on January 1, 2006 or as
16 soon thereafter, in the discretion of the Director, as is
17 reasonably practical, and shall be discontinued on December 31,
18 2011. The operation of the game shall be governed by this Act
19 and any rules adopted by the Department. The Department must
20 consult with the Ticket For The Cure Board, which is
21 established under Section 2310-347 of the Department of Public
22 Health Powers and Duties Law of the Civil Administrative Code
23 of Illinois, regarding the design and promotion of the game. If
24 any provision of this Section is inconsistent with any other
25 provision of this Act, then this Section governs.

1 (b) The Ticket For The Cure Fund is created as a special
2 fund in the State treasury. The net revenue from the Carolyn
3 Adams Ticket For The Cure special instant scratch-off game
4 shall be deposited into the Fund for appropriation by the
5 General Assembly solely to the Department of Public Health for
6 the purpose of making grants to public or private entities in
7 Illinois for the purpose of funding research concerning breast
8 cancer and for funding services for breast cancer victims. The
9 Department must, before grants are awarded, provide copies of
10 all grant applications to the Ticket For The Cure Board,
11 receive and review the Board's recommendations and comments,
12 and consult with the Board regarding the grants. For purposes
13 of this Section, the term "research" includes, without
14 limitation, expenditures to develop and advance the
15 understanding, techniques, and modalities effective in the
16 detection, prevention, screening, and treatment of breast
17 cancer and may include clinical trials. The grant funds may not
18 be used for institutional, organizational, or community-based
19 overhead costs, indirect costs, or levies.

20 Moneys received for the purposes of this Section,
21 including, without limitation, net revenue from the special
22 instant scratch-off game and gifts, grants, and awards from any
23 public or private entity, must be deposited into the Fund. Any
24 interest earned on moneys in the Fund must be deposited into
25 the Fund.

26 For purposes of this subsection, "net revenue" means the

1 total amount for which tickets have been sold less the sum of
2 the amount paid out in prizes and the actual administrative
3 expenses of the Department solely related to the Carolyn Adams
4 Ticket For The Cure game.

5 (c) During the time that tickets are sold for the Carolyn
6 Adams Ticket For The Cure game, the Department shall not
7 unreasonably diminish the efforts devoted to marketing any
8 other instant scratch-off lottery game.

9 (d) The Department may adopt any rules necessary to
10 implement and administer the provisions of this Section.

11 (Source: P.A. 94-120, eff. 7-6-05.)

12 (20 ILCS 1605/21.9 new)

13 Sec. 21.9. Right to direct offer of special cause games. If
14 the State enters into a Management and Concession Agreement,
15 the State shall retain the right to direct the Concessionaire
16 or technical operator to offer special cause games as the
17 General Assembly may determine appropriate from time to time.
18 The General Assembly may in its discretion direct the deposit
19 and use of net revenues from any such special cause games. The
20 operation of any such special cause games shall be governed by
21 this Act and any rules necessary to implement and administer
22 the provisions of this Section as adopted by the Illinois
23 Gaming Board. For purposes of this Section, "net revenue" means
24 the total amount for which tickets have been sold less the sum
25 of the amount paid out in the prizes and the costs and expenses

1 related to the game.

2 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

3 Sec. 24. Preaudit of accounts and transactions by State
4 Comptroller; post-audits by Auditor General. The State
5 Comptroller shall conduct a preaudit of all accounts and
6 transactions of the Department in connection with the operation
7 of the State Lottery under the State Comptroller Act, excluding
8 payments issued by the Department for prizes of \$25,000 or
9 less.

10 The Auditor General or a certified public accountant firm
11 appointed by him shall conduct an annual post-audit of all
12 accounts and transactions of the Department in connection with
13 the operation of the State Lottery and other special post
14 audits as the Auditor General, the Legislative Audit
15 Commission, or the General Assembly deems necessary. The annual
16 post-audits shall include payments made by lottery sales agents
17 of prizes of less than \$600 authorized under Section 20, and
18 payments made by the Department of prizes up to \$25,000
19 authorized under Section 20.1. The Auditor General or his agent
20 conducting an audit under this Act shall have access and
21 authority to examine any and all records of the Department or
22 the Board, its distributing agents and its licensees.

23 (Source: P.A. 94-776, eff. 5-19-06.)

24 (20 ILCS 1605/25) (from Ch. 120, par. 1175)

1 Sec. 25. Review under Administrative Review Law. Any party
2 adversely affected by a final order or determination of the
3 Board or the Department may obtain judicial review, by filing a
4 petition for review within 35 days after the entry of the order
5 or other final action complained of, pursuant to the provisions
6 of the Administrative Review Law, as amended and the rules
7 adopted pursuant thereto.

8 (Source: P.A. 82-783.)

9 (20 ILCS 1605/26) (from Ch. 120, par. 1176)

10 Sec. 26. Severability of invalid provisions or
11 applications. If any clause, sentence, paragraph, subdivision,
12 Section, provision or other portion of this Act or the
13 application thereof to any person or circumstances is held to
14 be invalid, such holding shall not affect, impair or invalidate
15 the remainder of this Act or the application of such portion
16 held invalid to any other person or circumstances, but shall be
17 confined in its operation to the clause, sentence, paragraph,
18 subdivision, provision or other portion thereof directly
19 involved in such holding or to the person and circumstances
20 therein involved.

21 (Source: P.A. 78-3rd S.S.-20.)

22 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

23 Sec. 27. Contracts; investments; proceeds; Deferred
24 Lottery Prize Winners Trust Fund; disbursements; State Lottery

1 Fund; Lottery Concession Fund; Lottery Escrow Account.

2 (a) The State Treasurer may, with the consent of the
3 Director, contract with any person or corporation, including,
4 without limitation, a bank, banking house, trust company or
5 investment banking firm, to perform such financial functions,
6 activities or services in connection with operation of the
7 lottery as the State Treasurer and the Director may prescribe.

8 (b) All proceeds from investments made pursuant to
9 contracts executed by the State Treasurer, with the consent of
10 the Director, to perform financial functions, activities or
11 services in connection with operation of the lottery, shall be
12 deposited and held by the State Treasurer as ex-officio
13 custodian thereof, separate and apart from all public money or
14 funds of this State in a special trust fund outside the State
15 treasury. Such trust fund shall be known as the "Deferred
16 Lottery Prize Winners Trust Fund", and shall be administered by
17 the Director.

18 The Director shall, at such times and in such amounts as
19 shall be necessary, prepare and send to the State Comptroller
20 vouchers requesting payment from the Deferred Lottery Prize
21 Winners Trust Fund to deferred prize winners, in a manner that
22 will insure the timely payment of such amounts owed.

23 This Act shall constitute an irrevocable appropriation of
24 all amounts necessary for that purpose, and the irrevocable and
25 continuing authority for and direction to the Director and the
26 State Treasurer to make the necessary payments out of such

1 trust fund for that purpose. In the event that the State shall
2 enter into a Management and Concession Agreement, this Section
3 27(b) shall not apply to any prizes awarded after the closing
4 date of the Management and Concession Agreement.

5 (c) Moneys invested pursuant to subsection (a) of this
6 Section may be invested only in bonds, notes, certificates of
7 indebtedness, treasury bills, or other securities constituting
8 direct obligations of the United States of America and all
9 securities or obligations the prompt payment of principal and
10 interest of which is guaranteed by a pledge of the full faith
11 and credit of the United States of America. Interest earnings
12 on moneys in the Deferred Lottery Prize Winners Trust Fund
13 shall remain in such fund and be used to pay the winners of
14 lottery prizes deferred as to payment until such obligations
15 are discharged. Proceeds from bonds purchased and interest
16 accumulated as a result of a grand prize multi-state game
17 ticket that goes unclaimed will be transferred after the
18 termination of the relevant claim period directly from the
19 lottery's Deferred Lottery Prize Winners Trust Fund to each
20 respective multi-state partner state according to its
21 contribution ratio. All moneys invested pursuant to the terms
22 of any Management and Concession Agreement into which the State
23 may enter shall be subject to the provisions of this
24 subsection.

25 (c-5) If a deferred lottery prize is not claimed within the
26 claim period established by game rule, then the securities or

1 other instruments purchased to fund the prize shall be
2 liquidated and the liquidated amount shall be transferred to
3 the State Lottery Fund for disposition pursuant to Section 19
4 of this Act. In the event that the State shall enter into a
5 Management and Concession Agreement, this Section 27(c-5)
6 shall not apply to any prizes awarded after the closing date of
7 the Management and Concession Agreement.

8 (c-10) The Director may use a portion of the moneys in the
9 Deferred Lottery Prize Winners Trust Fund to purchase bonds to
10 pay a lifetime prize if the prize duration exceeds the length
11 of available securities. If the winner of a lifetime prize
12 exceeds his or her life expectancy as determined using
13 actuarial assumptions and the securities or moneys set aside to
14 pay the prize have been exhausted, moneys in the State Lottery
15 Fund shall be used to make payments to the winner for the
16 duration of the winner's life. In the event that the State
17 shall enter into a Management and Concession Agreement, this
18 Section 27(c-10) shall not apply to any prizes awarded after
19 the closing date of the Management and Concession Agreement.

20 (c-15) From time to time, the Director may request that the
21 State Comptroller transfer any excess moneys in the Deferred
22 Lottery Prize Winners Trust Fund to the Lottery Fund. In the
23 event that the State shall enter into a Management and
24 Concession Agreement, this Section 27(c-15) shall not apply to
25 any prizes awarded after the closing date of the Management and
26 Concession Agreement.

1 (c-20) In the event that the State shall enter into a
2 Management and Concession Agreement pursuant to which a
3 Concessionaire is authorized to manage or operate the Lottery,
4 there shall be created a fund to be known as the Lottery
5 Concession Trust Fund, which shall be a special
6 non-appropriated trust fund held outside of the State Treasury
7 and separate and apart from all public money and funds of this
8 State for the purpose of holding Concession revenues for the
9 purpose of transferring to the State its 20% share of gross
10 revenues after prize payouts. All proceeds from the sale of
11 Lottery tickets or shares and all other revenue from the
12 State's conduct of the Lottery as authorized under this
13 amendatory Act of the 95th General Assembly, including Lottery
14 revenues a Concessionaire may be eligible to receive under a
15 Management and Concession Agreement, with the exception of the
16 initial consideration distributed pursuant to Section 2.4,
17 shall be paid into the Fund. Within the Lottery Concession
18 Trust Fund, there shall be created sub-trusts for the purpose
19 of holding moneys for the exclusive benefit of the State and
20 recipients of Prize Claims.

21 The Fund shall begin to receive lottery proceeds and
22 revenues on the date that a Management and Concession Agreement
23 first becomes effective, and moneys in the Fund shall not at
24 any time during the term of such an agreement be appropriated
25 or diverted to any other use or purpose. The Fund shall be held
26 by an Illinois trustee designated pursuant to the Concession

1 and Management Agreement. All interest or other earnings
2 accruing or received on amounts in the Fund shall be credited
3 to and retained by the Fund. The Fund shall be held,
4 administered, invested, and disbursed in accordance with the
5 trust agreement and the Management and Concession Agreement.

6 The Illinois Gaming Board shall report quarterly to the
7 State Treasurer and the Governor a full and complete statement
8 of revenues into and expenses from the Lottery Concession Trust
9 Fund, which may be included in the reports required pursuant to
10 subsection (j-1) of Section 9 of this Act. The statement shall
11 be public and copies shall be sent to the Speaker of the House,
12 the President of the Senate, and the Minority Leaders of both
13 houses.

14 (d) This amendatory Act of 1985 shall be construed
15 liberally to effect the purposes of the Illinois Lottery Law.

16 (Source: P.A. 89-466, eff. 6-13-96; 90-346, eff. 8-8-97.)

17 Section 1-20. The Department of Revenue Law of the Civil
18 Administrative Code of Illinois is amended by changing Section
19 2505-305 as follows:

20 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

21 Sec. 2505-305. Investigators.

22 (a) The Department has the power to appoint investigators
23 to conduct all investigations, searches, seizures, arrests,
24 and other duties imposed under the provisions of any law

1 administered by the Department ~~or the Illinois Gaming Board~~.
2 Except as provided in subsection (c), these investigators have
3 and may exercise all the powers of peace officers solely for
4 the purpose of enforcing taxing measures administered by the
5 Department ~~or the Illinois Gaming Board~~.

6 (b) The Director must authorize to each investigator
7 employed under this Section and to any other employee of the
8 Department exercising the powers of a peace officer a distinct
9 badge that, on its face, (i) clearly states that the badge is
10 authorized by the Department and (ii) contains a unique
11 identifying number. No other badge shall be authorized by the
12 Department.

13 ~~(c) Investigators appointed under this Section who are~~
14 ~~assigned to the Illinois Gaming Board have and may exercise all~~
15 ~~the rights and powers of peace officers, provided that these~~
16 ~~powers shall be limited to offenses or violations occurring or~~
17 ~~committed on a riverboat or dock, as defined in subsections (d)~~
18 ~~and (f) of Section 4 of the Riverboat Gambling Act.~~

19 (Source: P.A. 91-239, eff. 1-1-00; 91-883, eff. 1-1-01; 92-493,
20 eff. 1-1-02.)

21 Section 1-90. The Department of Transportation Law of the
22 Civil Administrative Code of Illinois is amended by adding
23 Section 2705-200 as follows:

24 (20 ILCS 2705/2705-200) (was 20 ILCS 2705/49.16)

1 Sec. 2705-200. Master plan; reporting requirements.

2 (a) The Department has the power to develop and maintain a
3 continuing, comprehensive, and integrated planning process
4 that shall develop and periodically revise a statewide master
5 plan for transportation to guide program development and to
6 foster efficient and economical transportation services in
7 ground, air, water, and all other modes of transportation
8 throughout the State. The Department shall coordinate its
9 transportation planning activities with those of other State
10 agencies and authorities and shall supervise and review any
11 transportation planning performed by other Executive agencies
12 under the direction of the Governor. The Department shall
13 cooperate and participate with federal, regional, interstate,
14 State, and local agencies, in accordance with Sections 5-301
15 and 7-301 of the Illinois Highway Code, and with interested
16 private individuals and organizations in the coordination of
17 plans and policies for development of the state's
18 transportation system.

19 To meet the provisions of this Section, the Department
20 shall publish and deliver to the Governor and General Assembly
21 by January 1, 1982 and every 2 years thereafter, its master
22 plan for highway, waterway, aeronautic, mass transportation,
23 and railroad systems. The plan shall identify priority
24 subsystems or components of each system that are critical to
25 the economic and general welfare of this State regardless of
26 public jurisdictional responsibility or private ownership.

1 The master plan shall provide particular emphasis and
2 detail of at least the 5-year period in the immediate future.

3 Annual and 5-year, or longer, project programs for each
4 State system in this Section shall be published and furnished
5 the General Assembly on the first Wednesday in April of each
6 year.

7 Identified needs included in the project programs shall be
8 listed and mapped in a distinctive fashion to clearly identify
9 the priority status of the projects: (1) projects to be
10 committed for execution; (2) tentative projects that are
11 dependent upon funding or other constraints; and (3) needed
12 projects that are not programmed due to lack of funding or
13 other constraints.

14 All projects shall be related to the priority systems of
15 the master plan, and the priority criteria identified. Cost and
16 estimated completion dates shall be included for work required
17 to complete a useable segment or component beyond the period of
18 the program.

19 (b) The Department shall publish and deliver to the
20 Governor and General Assembly on the first Wednesday in April
21 of each year a 5-year, or longer, Highway Improvement Program
22 reporting the number of fiscal years each project has been on
23 previous plans submitted by the Department. It is a goal of the
24 Highway Improvement Program that the percentage of
25 State-jurisdiction mileage and bridges in acceptable condition
26 be comparable throughout the State and that the percentage of

1 State-jurisdiction miles and bridges in acceptable condition
2 in each of the Department's highway districts, as those
3 districts were organized on January 1, 2008, be no lower than 5
4 percentage points below the statewide average percentage in
5 acceptable condition.

6 Funding in the Highway Improvement Program shall be
7 allocated as follows: 45% for projects in highway district 1
8 and 55% for projects in highway districts 2 through 9, as those
9 districts were organized on January 1, 2008. For Fiscal Year
10 2009, a minimum of two-thirds of the funds allocated for
11 highway districts 2 through 9 shall be allocated as follows:
12 13.63% for projects in district 2; 12.44% for projects in
13 district 3; 11.66% for projects in district 4; 9.89% for
14 projects in district 5; 13.88% for projects in district 6;
15 10.56% for projects in district 7; 17.67% for projects in
16 district 8; and 10.27% for projects in district 9. Starting in
17 Fiscal Year 2010, a minimum of two-thirds of the funds
18 allocated for highway districts 2 through 9 shall be allocated
19 as follows: one-third in the ratio that the total lane miles of
20 State-jurisdiction roads in each of the highway districts bears
21 to the total lane miles of State-jurisdiction roads in highway
22 districts 2 through 9; one-third in the ratio that the total
23 square footage of State-jurisdiction bridges in each of the
24 highway districts bears to the total square footage of
25 State-jurisdiction bridges in highway districts 2 through 9;
26 and one-third in the ratio that the miles of daily travel on

1 State-jurisdiction roads in each of the highway districts bears
2 to the total miles of daily travel on State-jurisdiction roads
3 in highway districts 2 through 9. If in any year a catastrophic
4 road or bridge failure makes impracticable the funding
5 allocation for highway districts 2 through 9, the Secretary may
6 declare an emergency and reallocate the funding as needed to
7 address the catastrophic road or bridge failure. The remaining
8 funds shall be allocated by the Department for projects in
9 highway districts 2 through 9.

10 The Highway Improvement Program shall include the
11 following information statewide and for each of the
12 Department's highway districts:

13 (1) Overall funding proposed for the first year of the
14 Highway Improvement Program.

15 (2) For roads and bridges under State jurisdiction, the
16 current percentage of miles and bridges in acceptable
17 condition.

18 (3) For roads and bridges under State jurisdiction, the
19 projected percentage of miles and bridges in acceptable
20 condition at the end of the Highway Improvement Program.

21 (b-5) The Department shall publish and deliver to the
22 Governor and General Assembly an Annual Highway Improvement
23 Program within 60 days after the start of each fiscal year or
24 of the enactment of the Department's highway construction
25 appropriation for that fiscal year, whichever is later. Funding
26 in the Annual Highway Improvement Program shall be allocated as

1 follows: 45% for projects in highway district 1 and 55% for
2 projects in highway districts 2 through 9, as those districts
3 were organized on January 1, 2008. For Fiscal Year 2009, a
4 minimum of two-thirds of the funds allocated for highway
5 districts 2 through 9 shall be allocated as follows: 13.63% for
6 projects in district 2; 12.44% for projects in district 3;
7 11.66% for projects in district 4; 9.89% for projects in
8 district 5; 13.88% for projects in district 6; 10.56% for
9 projects in district 7; 17.67% for projects in district 8; and
10 10.27% for projects in district 9. Starting in Fiscal Year
11 2010, a minimum of two-thirds of the funds allocated for
12 highway districts 2 through 9 shall be allocated as follows:
13 one-third in the ratio that the total lane miles of
14 State-jurisdiction roads in each of the highway districts bears
15 to the total lane miles of State-jurisdiction roads in highway
16 districts 2 through 9; one-third in the ratio that the total
17 square footage of State-jurisdiction bridges in each of the
18 highway districts bears to the total square footage of
19 State-jurisdiction bridges in highway districts 2 through 9;
20 and one-third in the ratio that the miles of daily travel on
21 State-jurisdiction roads in each of the highway districts bears
22 to the total miles of daily travel on State-jurisdiction roads
23 in highway districts 2 through 9. The remaining funds shall be
24 allocated by the Department for projects in highway districts 2
25 through 9. If in any year a catastrophic road or bridge failure
26 makes impracticable the funding allocation for highway

1 districts 2 through 9, the Secretary may declare an emergency
2 and reallocate the funding as needed to address the
3 catastrophic road or bridge failure.

4 The Annual Highway Improvement Program shall include the
5 following information statewide and for each of the
6 Department's highway districts:

7 (1) Total proposed funding, total number of miles to be
8 improved, and total number of bridges to be improved.

9 (2) For roads and bridges under State jurisdiction, the
10 current percentage of miles and bridges in acceptable
11 condition.

12 (3) For roads and bridges under State jurisdiction, the
13 projected percentage of miles and bridges in acceptable
14 condition at the end of the Annual Highway Improvement
15 Program.

16 (c) The Department shall publish and deliver to the
17 Governor and the General Assembly by November 1 of each year a
18 For the Record report that shall include the following:

19 (1) All the projects accomplished in the previous
20 fiscal year listed by each Illinois Department of
21 Transportation District.

22 (2) The award cost and the beginning dates of each
23 listed project.

24 (3) Statewide and for each of the Department's highway
25 districts, the total of program accomplishments in
26 dollars, number of miles, and number of bridges.

1 (4) For roads and bridges under State jurisdiction, the
2 current percentage of miles and bridges in acceptable
3 condition.

4 (5) For any highway district whose percentage of miles,
5 bridges, or both that are in acceptable condition is more
6 than 5 percentage points below the statewide average
7 percentage in acceptable condition, a description of
8 remedial actions that will be taken in the next Highway
9 Improvement Program for raising that district's percentage
10 of roads, bridges, or both that are in acceptable
11 condition.

12 (d) Following publication of each of the documents required
13 by subsections (b), (b-5), and (c), the Commission on
14 Government Forecasting and Accountability shall review the
15 documents and certify to the Governor, Senate President, and
16 Speaker of the House whether the requirements contained in
17 subsections (b), (b-5), and (c) regarding each highway
18 district's percentage funding allocation and each highway
19 district's road and bridge conditions are being met.

20 (e) Every 2 years, the Auditor General shall review the
21 performance of the Department to assure the Department is
22 meeting the requirements of subsections (b), (b-5), and (c).

23 (Source: P.A. 94-91, eff. 7-1-05.)

24 Section 1-95. The State Finance Act is amended by adding
25 Sections 5.715, 5.716, 5.717, 6z-76, and 6z-77 as follows:

1 (30 ILCS 105/5.715 new)

2 Sec. 5.715. The Illinois Education Trust Fund.

3 (30 ILCS 105/5.716 new)

4 Sec. 5.716. The GROW Illinois Fund.

5 (30 ILCS 105/5.717 new)

6 Sec. 5.717. The Capital Workforce Development Fund.

7 (30 ILCS 105/6z-76 new)

8 Sec. 6z-76. The GROW Illinois Fund.

9 (a) There is created the GROW Illinois Fund, a special fund
10 in the State treasury. GROW is an acronym for "Growing and
11 Revitalizing Our Workforce". The fund shall receive revenue
12 pursuant to Section 2.4 of the Illinois Lottery Law.

13 (b) Expenditures and transfers may be made from the GROW
14 Illinois Fund only as appropriated or directed by the General
15 Assembly by law.

16 (c) Investment income that is attributable to the
17 investment of moneys in the GROW Illinois Fund shall be
18 retained in that fund for the uses specified in this Section.

19 (d) Notwithstanding subsection (b) of this Section, 1% of
20 all moneys deposited into the Fund shall be transferred to the
21 Capital Workforce Development Fund.

1 (30 ILCS 105/6z-77 new)

2 Sec. 6z-77. The Capital Workforce Development Fund.

3 (a) There is created the Capital Workforce Development
4 Fund, a special fund in the State treasury. The Fund shall
5 receive revenue pursuant to Section 6z-76 of this of this Act.

6 (b) Expenditures and transfers may be made from the Capital
7 Workforce Development Fund only as appropriated or directed by
8 the General Assembly by law.

9 (c) Investment income that is attributable to the
10 investment of moneys in the Capital Workforce Development Fund
11 shall be retained in that Fund for the uses specified in this
12 Section.

13 Section 1-100. The Illinois Procurement Code is amended by
14 adding Sections 20-160 and 50-37 as follows:

15 (30 ILCS 500/20-160 new)

16 Sec. 20-160. Business entities; certification;
17 registration with the State Board of Elections.

18 (a) For purposes of this Section, the terms "business
19 entity", "contract", "State contract", "contract with a State
20 agency", "State agency", "affiliated entity", and "affiliated
21 person" have the meanings ascribed to those terms in Section
22 50-37.

23 (b) Every bid submitted to and every contract executed by
24 the State on or after the effective date of this amendatory Act

1 of the 95th General Assembly shall contain (1) a certification
2 by the bidder or contractor that either (i) the bidder or
3 contractor is not required to register as a business entity
4 with the State Board of Elections pursuant to this Section or
5 (ii) the bidder or contractor has registered as a business
6 entity with the State Board of Elections and acknowledges a
7 continuing duty to update the registration and (2) a statement
8 that the contract is voidable under Section 50-60 for the
9 bidder's or contractor's failure to comply with this Section.

10 (c) Within 30 days after the effective date of this
11 amendatory Act of the 95th General Assembly, each business
12 entity (i) whose aggregate bids and proposals on State
13 contracts annually total more than \$50,000, (ii) whose
14 aggregate bids and proposals on State contracts combined with
15 the business entity's aggregate annual total value of State
16 contracts exceed \$50,000, or (iii) whose contracts with State
17 agencies, in the aggregate, annually total more than \$50,000
18 shall register with the State Board of Elections in accordance
19 with Section 9-35 of the Election Code. A business entity
20 required to register under this subsection shall submit a copy
21 of the certificate of registration to the applicable chief
22 procurement officer within 90 days after the effective date of
23 this amendatory Act of the 95th General Assembly. A business
24 entity required to register under this subsection due to item
25 (i) or (ii) has a continuing duty to ensure that the
26 registration is accurate during the period beginning on the

1 date of registration and ending on the day after the date the
2 contract is awarded; any change in information must be reported
3 to the State Board of Elections within 2 business days
4 following such change. A business entity required to register
5 under this subsection due to item (iii) has a continuing duty
6 to ensure that the registration is accurate in accordance with
7 subsection (f).

8 (d) Any business entity, not required under subsection (c)
9 to register within 30 days after the effective date of this
10 amendatory Act of the 95th General Assembly, whose aggregate
11 bids and proposals on State contracts annually total more than
12 \$50,000, or whose aggregate bids and proposals on State
13 contracts combined with the business entity's aggregate annual
14 total value of State contracts exceed \$50,000, shall register
15 with the State Board of Elections in accordance with Section
16 9-35 of the Election Code prior to submitting to a State agency
17 the bid or proposal whose value causes the business entity to
18 fall within the monetary description of this subsection. A
19 business entity required to register under this subsection has
20 a continuing duty to ensure that the registration is accurate
21 during the period beginning on the date of registration and
22 ending on the day after the date the contract is awarded. Any
23 change in information must be reported to the State Board of
24 Elections within 2 business days following such change.

25 (e) A business entity whose contracts with State agencies,
26 in the aggregate, annually total more than \$50,000 must

1 maintain its registration under this Section and has a
2 continuing duty to ensure that the registration is accurate for
3 the duration of the term of office of the incumbent
4 officeholder awarding the contracts or for a period of 2 years
5 following the expiration or termination of the contracts,
6 whichever is longer. Any change in information shall be
7 reported to the State Board of Elections within 10 days
8 following such change; however, if a business entity required
9 to register under this subsection has a pending bid or
10 proposal, any change in information shall be reported to the
11 State Board of Elections within 2 business days.

12 (f) A business entity's continuing duty under this Section
13 to ensure the accuracy of its registration includes the
14 requirement that the business entity notify the State Board of
15 Elections of any change in information, including but not
16 limited to changes of affiliated entities or affiliated
17 persons.

18 (g) A copy of a certificate of registration must accompany
19 any bid or proposal for a contract with a State agency by a
20 business entity required to register under this Section. A
21 chief procurement officer shall not accept a bid or proposal
22 unless the certificate is submitted to the agency with the bid
23 or proposal.

24 (h) A registration, and any changes to a registration, must
25 include the business entity's verification of accuracy and
26 subjects the business entity to the penalties of the laws of

1 this State for perjury.

2 In addition to any penalty under Section 9-35 of the
3 Election Code, intentional, willful, or material failure to
4 disclose information required for registration shall render
5 the contract, bid, proposal, or other procurement relationship
6 voidable by the chief procurement officer if he or she deems it
7 to be in the best interest of the State of Illinois.

8 (i) This Section applies regardless of the method of source
9 selection used in awarding the contract.

10 (30 ILCS 500/50-37 new)

11 Sec. 50-37. Prohibition of political contributions.

12 (a) As used in this Section:

13 The terms "contract", "State contract", and "contract
14 with a State agency" each mean any contract, as defined in
15 this Code, between a business entity and a State agency let
16 or awarded pursuant to this Code. The terms "contract",
17 "State contract", and "contract with a State agency" do not
18 include cost reimbursement contracts; purchase of care
19 agreements as defined in Section 1-15.68 of this Code;
20 grants, including but are not limited to grants for job
21 training or transportation; and grants, loans, or tax
22 credit agreements for economic development purposes.

23 "Contribution" means a contribution as defined in
24 Section 9-1.4 of the Election Code.

25 "Declared candidate" means a person who has filed a

1 statement of candidacy and petition for nomination or
2 election in the principal office of the State Board of
3 Elections.

4 "State agency" means and includes all boards,
5 commissions, agencies, institutions, authorities, and
6 bodies politic and corporate of the State, created by or in
7 accordance with the Illinois Constitution or State
8 statute, of the executive branch of State government and
9 does include colleges, universities, public employee
10 retirement systems, and institutions under the
11 jurisdiction of the governing boards of the University of
12 Illinois, Southern Illinois University, Illinois State
13 University, Eastern Illinois University, Northern Illinois
14 University, Western Illinois University, Chicago State
15 University, Governors State University, Northeastern
16 Illinois University, and the Illinois Board of Higher
17 Education.

18 "Officeholder" means the Governor, Lieutenant
19 Governor, Attorney General, Secretary of State,
20 Comptroller, or Treasurer. The Governor shall be
21 considered the officeholder responsible for awarding all
22 contracts by all officers and employees of, and vendors and
23 others doing business with, executive branch State
24 agencies under the jurisdiction of the Executive Ethics
25 Commission and not within the jurisdiction of the Attorney
26 General, the Secretary of State, the Comptroller, or the

1 Treasurer.

2 "Sponsoring entity" means a sponsoring entity as
3 defined in Section 9-3 of the Election Code.

4 "Affiliated person" means (i) any person with any
5 ownership interest or distributive share of the bidding or
6 contracting business entity in excess of 7.5%, (ii)
7 executive employees of the bidding or contracting business
8 entity, and (iii) the spouse and minor children of any such
9 persons.

10 "Affiliated entity" means (i) any subsidiary of the
11 bidding or contracting business entity, (ii) any member of
12 the same unitary business group, (iii) any organization
13 recognized by the United States Internal Revenue Service as
14 a tax-exempt organization described in Section 501(c) of
15 the Internal Revenue Code of 1986 (or any successor
16 provision of federal tax law) established by the bidding or
17 contracting business entity, any affiliated entity of that
18 business entity, or any affiliated person of that business
19 entity, or (iv) any political committee for which the
20 bidding or contracting business entity, any affiliated
21 person, or any entity described in items (i) through (iii)
22 related to that business entity, is the sponsoring entity.

23 "Business entity" means any entity doing business for
24 profit, whether organized as a corporation, partnership,
25 sole proprietorship, limited liability company or
26 partnership, or otherwise.

1 "Executive employee" means the President, Chairman,
2 Chief Executive Officer, or other employee with executive
3 decision-making authority over the long-term and
4 day-to-day affairs of the entity employing the employee, or
5 an employee whose compensation is determined directly, in
6 whole or in part, by the award or payment of contracts by a
7 State agency to the entity employing the employee.

8 (b) Any business entity whose contracts with State
9 agencies, in the aggregate, annually total more than \$50,000,
10 and any affiliated entities or affiliated persons of such
11 business entity, are prohibited from making any contributions
12 to any political committees established to promote the
13 candidacy of (i) the officeholder responsible for awarding the
14 contracts or (ii) any other declared candidate for that office.
15 This prohibition shall be effective for the duration of the
16 term of office of the incumbent officeholder awarding the
17 contracts or for a period of 2 years following the expiration
18 or termination of the contracts, whichever is longer.

19 (c) Any business entity whose aggregate pending bids and
20 proposals on State contracts total more than \$50,000, or whose
21 aggregate pending bids and proposals on State contracts
22 combined with the business entity's aggregate annual total
23 value of State contracts exceed \$50,000, and any affiliated
24 entities or affiliated persons of such business entity, are
25 prohibited from making any contributions to any political
26 committee established to promote the candidacy of the

1 officeholder responsible for awarding the contract on which the
2 business entity has submitted a bid or proposal during the
3 period beginning on the date the invitation for bids or request
4 for proposals is issued and ending on the day after the date
5 the contract is awarded.

6 (d) All contracts between State agencies and a business
7 entity that violate subsection (b) or (c) shall be voidable
8 under Section 50-60. If a business entity violates subsection
9 (b) 3 or more times within a 36-month period, then all
10 contracts between State agencies and that business entity shall
11 be void, and that business entity shall not bid or respond to
12 any invitation to bid or request for proposals from any State
13 agency or otherwise enter into any contract with any State
14 agency for 3 years from the date of the last violation. A
15 notice of each violation and the penalty imposed shall be
16 published in both the Procurement Bulletin and the Illinois
17 Register.

18 (e) Any political committee that has received a
19 contribution in violation of subsection (b) or (c) shall pay an
20 amount equal to the value of the contribution to the State no
21 more than 30 days after notice of the violation concerning the
22 contribution appears in the Illinois Register. Payments
23 received by the State pursuant to this subsection shall be
24 deposited into the general revenue fund.

25 Section 1-101. The Illinois Procurement Code is amended by

1 changing Section 50-70 as follows:

2 (30 ILCS 500/50-70)

3 Sec. 50-70. Additional provisions. This Code is subject to
4 applicable provisions of the following Acts:

5 (1) Article 33E of the Criminal Code of 1961;

6 (2) the Illinois Human Rights Act;

7 (3) the Discriminatory Club Act;

8 (4) the Illinois Governmental Ethics Act;

9 (5) the State Prompt Payment Act;

10 (6) the Public Officer Prohibited Activities Act;

11 (7) the Drug Free Workplace Act; ~~and~~

12 (8) the Illinois Power Agency Act; ~~and~~

13 (9) ~~(8)~~ the Employee Classification Act; and ~~and~~

14 (10) The Illinois Lottery Law.

15 (Source: P.A. 95-26, eff. 1-1-08; 95-481, eff. 8-28-07; revised
16 11-2-07.)

17 Section 1-102. The Illinois Pension Code is amended by
18 changing Sections 14-110, 14-111, 14-152.1, 18-127, and 18-169
19 as follows:

20 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

21 Sec. 14-110. Alternative retirement annuity.

22 (a) Any member who has withdrawn from service with not less
23 than 20 years of eligible creditable service and has attained

1 age 55, and any member who has withdrawn from service with not
2 less than 25 years of eligible creditable service and has
3 attained age 50, regardless of whether the attainment of either
4 of the specified ages occurs while the member is still in
5 service, shall be entitled to receive at the option of the
6 member, in lieu of the regular or minimum retirement annuity, a
7 retirement annuity computed as follows:

8 (i) for periods of service as a noncovered employee: if
9 retirement occurs on or after January 1, 2001, 3% of final
10 average compensation for each year of creditable service;
11 if retirement occurs before January 1, 2001, 2 1/4% of
12 final average compensation for each of the first 10 years
13 of creditable service, 2 1/2% for each year above 10 years
14 to and including 20 years of creditable service, and 2 3/4%
15 for each year of creditable service above 20 years; and

16 (ii) for periods of eligible creditable service as a
17 covered employee: if retirement occurs on or after January
18 1, 2001, 2.5% of final average compensation for each year
19 of creditable service; if retirement occurs before January
20 1, 2001, 1.67% of final average compensation for each of
21 the first 10 years of such service, 1.90% for each of the
22 next 10 years of such service, 2.10% for each year of such
23 service in excess of 20 but not exceeding 30, and 2.30% for
24 each year in excess of 30.

25 Such annuity shall be subject to a maximum of 75% of final
26 average compensation if retirement occurs before January 1,

1 2001 or to a maximum of 80% of final average compensation if
2 retirement occurs on or after January 1, 2001.

3 These rates shall not be applicable to any service
4 performed by a member as a covered employee which is not
5 eligible creditable service. Service as a covered employee
6 which is not eligible creditable service shall be subject to
7 the rates and provisions of Section 14-108.

8 (b) For the purpose of this Section, "eligible creditable
9 service" means creditable service resulting from service in one
10 or more of the following positions:

11 (1) State policeman;

12 (2) fire fighter in the fire protection service of a
13 department;

14 (3) air pilot;

15 (4) special agent;

16 (5) investigator for the Secretary of State;

17 (6) conservation police officer;

18 (7) investigator for the Department of Revenue;

19 (7.5) investigator for the Office of Gaming
20 Enforcement;

21 (8) security employee of the Department of Human
22 Services;

23 (9) Central Management Services security police
24 officer;

25 (10) security employee of the Department of
26 Corrections or the Department of Juvenile Justice;

- 1 (11) dangerous drugs investigator;
- 2 (12) investigator for the Department of State Police;
- 3 (13) investigator for the Office of the Attorney
4 General;
- 5 (14) controlled substance inspector;
- 6 (15) investigator for the Office of the State's
7 Attorneys Appellate Prosecutor;
- 8 (16) Commerce Commission police officer;
- 9 (17) arson investigator;
- 10 (18) State highway maintenance worker.

11 A person employed in one of the positions specified in this
12 subsection is entitled to eligible creditable service for
13 service credit earned under this Article while undergoing the
14 basic police training course approved by the Illinois Law
15 Enforcement Training Standards Board, if completion of that
16 training is required of persons serving in that position. For
17 the purposes of this Code, service during the required basic
18 police training course shall be deemed performance of the
19 duties of the specified position, even though the person is not
20 a sworn peace officer at the time of the training.

21 (c) For the purposes of this Section:

22 (1) The term "state policeman" includes any title or
23 position in the Department of State Police that is held by
24 an individual employed under the State Police Act.

25 (2) The term "fire fighter in the fire protection
26 service of a department" includes all officers in such fire

1 protection service including fire chiefs and assistant
2 fire chiefs.

3 (3) The term "air pilot" includes any employee whose
4 official job description on file in the Department of
5 Central Management Services, or in the department by which
6 he is employed if that department is not covered by the
7 Personnel Code, states that his principal duty is the
8 operation of aircraft, and who possesses a pilot's license;
9 however, the change in this definition made by this
10 amendatory Act of 1983 shall not operate to exclude any
11 noncovered employee who was an "air pilot" for the purposes
12 of this Section on January 1, 1984.

13 (4) The term "special agent" means any person who by
14 reason of employment by the Division of Narcotic Control,
15 the Bureau of Investigation or, after July 1, 1977, the
16 Division of Criminal Investigation, the Division of
17 Internal Investigation, the Division of Operations, or any
18 other Division or organizational entity in the Department
19 of State Police is vested by law with duties to maintain
20 public order, investigate violations of the criminal law of
21 this State, enforce the laws of this State, make arrests
22 and recover property. The term "special agent" includes any
23 title or position in the Department of State Police that is
24 held by an individual employed under the State Police Act.

25 (5) The term "investigator for the Secretary of State"
26 means any person employed by the Office of the Secretary of

1 State and vested with such investigative duties as render
2 him ineligible for coverage under the Social Security Act
3 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
4 218(1)(1) of that Act.

5 A person who became employed as an investigator for the
6 Secretary of State between January 1, 1967 and December 31,
7 1975, and who has served as such until attainment of age
8 60, either continuously or with a single break in service
9 of not more than 3 years duration, which break terminated
10 before January 1, 1976, shall be entitled to have his
11 retirement annuity calculated in accordance with
12 subsection (a), notwithstanding that he has less than 20
13 years of credit for such service.

14 (6) The term "Conservation Police Officer" means any
15 person employed by the Division of Law Enforcement of the
16 Department of Natural Resources and vested with such law
17 enforcement duties as render him ineligible for coverage
18 under the Social Security Act by reason of Sections
19 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
20 term "Conservation Police Officer" includes the positions
21 of Chief Conservation Police Administrator and Assistant
22 Conservation Police Administrator.

23 (7) The term "investigator for the Department of
24 Revenue" means any person employed by the Department of
25 Revenue and vested with such investigative duties as render
26 him ineligible for coverage under the Social Security Act

1 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
2 218(1)(1) of that Act.

3 (7.5) The term "investigator for the Office of Gaming
4 Enforcement" means any person employed as such by the
5 Office of Gaming Enforcement and vested with such peace
6 officer duties as render the person ineligible for coverage
7 under the Social Security Act by reason of Sections
8 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

9 (8) The term "security employee of the Department of
10 Human Services" means any person employed by the Department
11 of Human Services who (i) is employed at the Chester Mental
12 Health Center and has daily contact with the residents
13 thereof, (ii) is employed within a security unit at a
14 facility operated by the Department and has daily contact
15 with the residents of the security unit, (iii) is employed
16 at a facility operated by the Department that includes a
17 security unit and is regularly scheduled to work at least
18 50% of his or her working hours within that security unit,
19 or (iv) is a mental health police officer. "Mental health
20 police officer" means any person employed by the Department
21 of Human Services in a position pertaining to the
22 Department's mental health and developmental disabilities
23 functions who is vested with such law enforcement duties as
24 render the person ineligible for coverage under the Social
25 Security Act by reason of Sections 218(d)(5)(A),
26 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"

1 means that portion of a facility that is devoted to the
2 care, containment, and treatment of persons committed to
3 the Department of Human Services as sexually violent
4 persons, persons unfit to stand trial, or persons not
5 guilty by reason of insanity. With respect to past
6 employment, references to the Department of Human Services
7 include its predecessor, the Department of Mental Health
8 and Developmental Disabilities.

9 The changes made to this subdivision (c) (8) by Public
10 Act 92-14 apply to persons who retire on or after January
11 1, 2001, notwithstanding Section 1-103.1.

12 (9) "Central Management Services security police
13 officer" means any person employed by the Department of
14 Central Management Services who is vested with such law
15 enforcement duties as render him ineligible for coverage
16 under the Social Security Act by reason of Sections
17 218(d) (5) (A), 218(d) (8) (D) and 218(1) (1) of that Act.

18 (10) For a member who first became an employee under
19 this Article before July 1, 2005, the term "security
20 employee of the Department of Corrections or the Department
21 of Juvenile Justice" means any employee of the Department
22 of Corrections or the Department of Juvenile Justice or the
23 former Department of Personnel, and any member or employee
24 of the Prisoner Review Board, who has daily contact with
25 inmates or youth by working within a correctional facility
26 or Juvenile facility operated by the Department of Juvenile

1 Justice or who is a parole officer or an employee who has
2 direct contact with committed persons in the performance of
3 his or her job duties. For a member who first becomes an
4 employee under this Article on or after July 1, 2005, the
5 term means an employee of the Department of Corrections or
6 the Department of Juvenile Justice who is any of the
7 following: (i) officially headquartered at a correctional
8 facility or Juvenile facility operated by the Department of
9 Juvenile Justice, (ii) a parole officer, (iii) a member of
10 the apprehension unit, (iv) a member of the intelligence
11 unit, (v) a member of the sort team, or (vi) an
12 investigator.

13 (11) The term "dangerous drugs investigator" means any
14 person who is employed as such by the Department of Human
15 Services.

16 (12) The term "investigator for the Department of State
17 Police" means a person employed by the Department of State
18 Police who is vested under Section 4 of the Narcotic
19 Control Division Abolition Act with such law enforcement
20 powers as render him ineligible for coverage under the
21 Social Security Act by reason of Sections 218(d)(5)(A),
22 218(d)(8)(D) and 218(l)(1) of that Act.

23 (13) "Investigator for the Office of the Attorney
24 General" means any person who is employed as such by the
25 Office of the Attorney General and is vested with such
26 investigative duties as render him ineligible for coverage

1 under the Social Security Act by reason of Sections
2 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
3 the period before January 1, 1989, the term includes all
4 persons who were employed as investigators by the Office of
5 the Attorney General, without regard to social security
6 status.

7 (14) "Controlled substance inspector" means any person
8 who is employed as such by the Department of Professional
9 Regulation and is vested with such law enforcement duties
10 as render him ineligible for coverage under the Social
11 Security Act by reason of Sections 218(d)(5)(A),
12 218(d)(8)(D) and 218(1)(1) of that Act. The term
13 "controlled substance inspector" includes the Program
14 Executive of Enforcement and the Assistant Program
15 Executive of Enforcement.

16 (15) The term "investigator for the Office of the
17 State's Attorneys Appellate Prosecutor" means a person
18 employed in that capacity on a full time basis under the
19 authority of Section 7.06 of the State's Attorneys
20 Appellate Prosecutor's Act.

21 (16) "Commerce Commission police officer" means any
22 person employed by the Illinois Commerce Commission who is
23 vested with such law enforcement duties as render him
24 ineligible for coverage under the Social Security Act by
25 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
26 218(1)(1) of that Act.

1 (17) "Arson investigator" means any person who is
2 employed as such by the Office of the State Fire Marshal
3 and is vested with such law enforcement duties as render
4 the person ineligible for coverage under the Social
5 Security Act by reason of Sections 218(d)(5)(A),
6 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
7 employed as an arson investigator on January 1, 1995 and is
8 no longer in service but not yet receiving a retirement
9 annuity may convert his or her creditable service for
10 employment as an arson investigator into eligible
11 creditable service by paying to the System the difference
12 between the employee contributions actually paid for that
13 service and the amounts that would have been contributed if
14 the applicant were contributing at the rate applicable to
15 persons with the same social security status earning
16 eligible creditable service on the date of application.

17 (18) The term "State highway maintenance worker" means
18 a person who is either of the following:

19 (i) A person employed on a full-time basis by the
20 Illinois Department of Transportation in the position
21 of highway maintainer, highway maintenance lead
22 worker, highway maintenance lead/lead worker, heavy
23 construction equipment operator, power shovel
24 operator, or bridge mechanic; and whose principal
25 responsibility is to perform, on the roadway, the
26 actual maintenance necessary to keep the highways that

1 form a part of the State highway system in serviceable
2 condition for vehicular traffic.

3 (ii) A person employed on a full-time basis by the
4 Illinois State Toll Highway Authority in the position
5 of equipment operator/laborer H-4, equipment
6 operator/laborer H-6, welder H-4, welder H-6,
7 mechanical/electrical H-4, mechanical/electrical H-6,
8 water/sewer H-4, water/sewer H-6, sign maker/hanger
9 H-4, sign maker/hanger H-6, roadway lighting H-4,
10 roadway lighting H-6, structural H-4, structural H-6,
11 painter H-4, or painter H-6; and whose principal
12 responsibility is to perform, on the roadway, the
13 actual maintenance necessary to keep the Authority's
14 tollways in serviceable condition for vehicular
15 traffic.

16 (d) A security employee of the Department of Corrections or
17 the Department of Juvenile Justice, and a security employee of
18 the Department of Human Services who is not a mental health
19 police officer, shall not be eligible for the alternative
20 retirement annuity provided by this Section unless he or she
21 meets the following minimum age and service requirements at the
22 time of retirement:

23 (i) 25 years of eligible creditable service and age 55;

24 or

25 (ii) beginning January 1, 1987, 25 years of eligible
26 creditable service and age 54, or 24 years of eligible

1 creditable service and age 55; or

2 (iii) beginning January 1, 1988, 25 years of eligible
3 creditable service and age 53, or 23 years of eligible
4 creditable service and age 55; or

5 (iv) beginning January 1, 1989, 25 years of eligible
6 creditable service and age 52, or 22 years of eligible
7 creditable service and age 55; or

8 (v) beginning January 1, 1990, 25 years of eligible
9 creditable service and age 51, or 21 years of eligible
10 creditable service and age 55; or

11 (vi) beginning January 1, 1991, 25 years of eligible
12 creditable service and age 50, or 20 years of eligible
13 creditable service and age 55.

14 Persons who have service credit under Article 16 of this
15 Code for service as a security employee of the Department of
16 Corrections or the Department of Juvenile Justice, or the
17 Department of Human Services in a position requiring
18 certification as a teacher may count such service toward
19 establishing their eligibility under the service requirements
20 of this Section; but such service may be used only for
21 establishing such eligibility, and not for the purpose of
22 increasing or calculating any benefit.

23 (e) If a member enters military service while working in a
24 position in which eligible creditable service may be earned,
25 and returns to State service in the same or another such
26 position, and fulfills in all other respects the conditions

1 prescribed in this Article for credit for military service,
2 such military service shall be credited as eligible creditable
3 service for the purposes of the retirement annuity prescribed
4 in this Section.

5 (f) For purposes of calculating retirement annuities under
6 this Section, periods of service rendered after December 31,
7 1968 and before October 1, 1975 as a covered employee in the
8 position of special agent, conservation police officer, mental
9 health police officer, or investigator for the Secretary of
10 State, shall be deemed to have been service as a noncovered
11 employee, provided that the employee pays to the System prior
12 to retirement an amount equal to (1) the difference between the
13 employee contributions that would have been required for such
14 service as a noncovered employee, and the amount of employee
15 contributions actually paid, plus (2) if payment is made after
16 July 31, 1987, regular interest on the amount specified in item
17 (1) from the date of service to the date of payment.

18 For purposes of calculating retirement annuities under
19 this Section, periods of service rendered after December 31,
20 1968 and before January 1, 1982 as a covered employee in the
21 position of investigator for the Department of Revenue shall be
22 deemed to have been service as a noncovered employee, provided
23 that the employee pays to the System prior to retirement an
24 amount equal to (1) the difference between the employee
25 contributions that would have been required for such service as
26 a noncovered employee, and the amount of employee contributions

1 actually paid, plus (2) if payment is made after January 1,
2 1990, regular interest on the amount specified in item (1) from
3 the date of service to the date of payment.

4 (g) A State policeman may elect, not later than January 1,
5 1990, to establish eligible creditable service for up to 10
6 years of his service as a policeman under Article 3, by filing
7 a written election with the Board, accompanied by payment of an
8 amount to be determined by the Board, equal to (i) the
9 difference between the amount of employee and employer
10 contributions transferred to the System under Section 3-110.5,
11 and the amounts that would have been contributed had such
12 contributions been made at the rates applicable to State
13 policemen, plus (ii) interest thereon at the effective rate for
14 each year, compounded annually, from the date of service to the
15 date of payment.

16 Subject to the limitation in subsection (i), a State
17 policeman may elect, not later than July 1, 1993, to establish
18 eligible creditable service for up to 10 years of his service
19 as a member of the County Police Department under Article 9, by
20 filing a written election with the Board, accompanied by
21 payment of an amount to be determined by the Board, equal to
22 (i) the difference between the amount of employee and employer
23 contributions transferred to the System under Section 9-121.10
24 and the amounts that would have been contributed had those
25 contributions been made at the rates applicable to State
26 policemen, plus (ii) interest thereon at the effective rate for

1 each year, compounded annually, from the date of service to the
2 date of payment.

3 (h) Subject to the limitation in subsection (i), a State
4 policeman or investigator for the Secretary of State may elect
5 to establish eligible creditable service for up to 12 years of
6 his service as a policeman under Article 5, by filing a written
7 election with the Board on or before January 31, 1992, and
8 paying to the System by January 31, 1994 an amount to be
9 determined by the Board, equal to (i) the difference between
10 the amount of employee and employer contributions transferred
11 to the System under Section 5-236, and the amounts that would
12 have been contributed had such contributions been made at the
13 rates applicable to State policemen, plus (ii) interest thereon
14 at the effective rate for each year, compounded annually, from
15 the date of service to the date of payment.

16 Subject to the limitation in subsection (i), a State
17 policeman, conservation police officer, or investigator for
18 the Secretary of State may elect to establish eligible
19 creditable service for up to 10 years of service as a sheriff's
20 law enforcement employee under Article 7, by filing a written
21 election with the Board on or before January 31, 1993, and
22 paying to the System by January 31, 1994 an amount to be
23 determined by the Board, equal to (i) the difference between
24 the amount of employee and employer contributions transferred
25 to the System under Section 7-139.7, and the amounts that would
26 have been contributed had such contributions been made at the

1 rates applicable to State policemen, plus (ii) interest thereon
2 at the effective rate for each year, compounded annually, from
3 the date of service to the date of payment.

4 Subject to the limitation in subsection (i), a State
5 policeman, conservation police officer, or investigator for
6 the Secretary of State may elect to establish eligible
7 creditable service for up to 5 years of service as a police
8 officer under Article 3, a policeman under Article 5, a
9 sheriff's law enforcement employee under Article 7, a member of
10 the county police department under Article 9, or a police
11 officer under Article 15 by filing a written election with the
12 Board and paying to the System an amount to be determined by
13 the Board, equal to (i) the difference between the amount of
14 employee and employer contributions transferred to the System
15 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
16 and the amounts that would have been contributed had such
17 contributions been made at the rates applicable to State
18 policemen, plus (ii) interest thereon at the effective rate for
19 each year, compounded annually, from the date of service to the
20 date of payment.

21 (i) The total amount of eligible creditable service
22 established by any person under subsections (g), (h), (j), (k),
23 and (l) of this Section shall not exceed 12 years.

24 (j) Subject to the limitation in subsection (i), an
25 investigator for the Office of the State's Attorneys Appellate
26 Prosecutor or a controlled substance inspector may elect to

1 establish eligible creditable service for up to 10 years of his
2 service as a policeman under Article 3 or a sheriff's law
3 enforcement employee under Article 7, by filing a written
4 election with the Board, accompanied by payment of an amount to
5 be determined by the Board, equal to (1) the difference between
6 the amount of employee and employer contributions transferred
7 to the System under Section 3-110.6 or 7-139.8, and the amounts
8 that would have been contributed had such contributions been
9 made at the rates applicable to State policemen, plus (2)
10 interest thereon at the effective rate for each year,
11 compounded annually, from the date of service to the date of
12 payment.

13 (k) Subject to the limitation in subsection (i) of this
14 Section, an alternative formula employee may elect to establish
15 eligible creditable service for periods spent as a full-time
16 law enforcement officer or full-time corrections officer
17 employed by the federal government or by a state or local
18 government located outside of Illinois, for which credit is not
19 held in any other public employee pension fund or retirement
20 system. To obtain this credit, the applicant must file a
21 written application with the Board by March 31, 1998,
22 accompanied by evidence of eligibility acceptable to the Board
23 and payment of an amount to be determined by the Board, equal
24 to (1) employee contributions for the credit being established,
25 based upon the applicant's salary on the first day as an
26 alternative formula employee after the employment for which

1 credit is being established and the rates then applicable to
2 alternative formula employees, plus (2) an amount determined by
3 the Board to be the employer's normal cost of the benefits
4 accrued for the credit being established, plus (3) regular
5 interest on the amounts in items (1) and (2) from the first day
6 as an alternative formula employee after the employment for
7 which credit is being established to the date of payment.

8 (1) Subject to the limitation in subsection (i), a security
9 employee of the Department of Corrections may elect, not later
10 than July 1, 1998, to establish eligible creditable service for
11 up to 10 years of his or her service as a policeman under
12 Article 3, by filing a written election with the Board,
13 accompanied by payment of an amount to be determined by the
14 Board, equal to (i) the difference between the amount of
15 employee and employer contributions transferred to the System
16 under Section 3-110.5, and the amounts that would have been
17 contributed had such contributions been made at the rates
18 applicable to security employees of the Department of
19 Corrections, plus (ii) interest thereon at the effective rate
20 for each year, compounded annually, from the date of service to
21 the date of payment.

22 (m) The amendatory changes to this Section made by this
23 amendatory Act of the 94th General Assembly apply only to: (1)
24 security employees of the Department of Juvenile Justice
25 employed by the Department of Corrections before the effective
26 date of this amendatory Act of the 94th General Assembly and

1 transferred to the Department of Juvenile Justice by this
2 amendatory Act of the 94th General Assembly; and (2) persons
3 employed by the Department of Juvenile Justice on or after the
4 effective date of this amendatory Act of the 94th General
5 Assembly who are required by subsection (b) of Section 3-2.5-15
6 of the Unified Code of Corrections to have a bachelor's or
7 advanced degree from an accredited college or university with a
8 specialization in criminal justice, education, psychology,
9 social work, or a closely related social science or, in the
10 case of persons who provide vocational training, who are
11 required to have adequate knowledge in the skill for which they
12 are providing the vocational training.

13 (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06; 95-530,
14 eff. 8-28-07.)

15 (40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)

16 Sec. 14-111. Re-entry After retirement.

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

21 (1) An annuitant who is employed by a department while
22 he or she is a continuing participant in the General
23 Assembly Retirement System under Sections 2-117.1 and
24 14-105.4 will not be considered to have made a re-entry
25 after retirement within the meaning of this Section for the

1 duration of such continuing participation. Any person who
2 is a continuing participant under Sections 2-117.1 and
3 14-105.4 on the effective date of this amendatory Act of
4 1991 and whose retirement annuity has been suspended under
5 this Section shall be entitled to receive from the System a
6 sum equal to the annuity payments that have been withheld
7 under this Section, and shall receive the benefit of this
8 amendment without regard to Section 1-103.1.

9 (2) An annuitant who accepts temporary employment from
10 such a department for a period not exceeding 75 working
11 days in any calendar year is not considered to make a
12 re-entry after retirement within the meaning of this
13 Section. Any part of a day on temporary employment is
14 considered a full day of employment.

15 (3) An annuitant who is a member of the Illinois Gaming
16 Board or who accepts employment as a member of the Illinois
17 Gaming Board or as the Director of Gaming Enforcement on or
18 after the effective date of this amendatory Act of the 95th
19 General Assembly may elect to not participate in this
20 System with respect to that service. An annuitant who
21 elects to not participate in this System with respect to
22 that service is not considered to make a re-entry after
23 retirement within the meaning of this Section.

24 (b) If such person re-enters the service of a department,
25 not as a temporary employee, contributions to the system shall
26 begin as of the date of re-employment and additional creditable

1 service shall begin to accrue. He shall assume the status of a
2 member entitled to all rights and privileges in the system,
3 including death and disability benefits, excluding a refund of
4 contributions.

5 Upon subsequent retirement, his retirement annuity shall
6 consist of:

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

9 (2) the amount of the additional retirement annuity
10 earned by the member during the period of additional
11 membership service which shall not be subject to
12 reversionary annuity if any.

13 The total retirement annuity shall not, however, exceed the
14 maximum applicable to the member at the time of original
15 retirement. In the computation of any such retirement annuity,
16 the time that the member was on retirement shall not interrupt
17 the continuity of service for the computation of final average
18 compensation and the additional membership service shall be
19 considered, together with service rendered before the previous
20 retirement, in establishing final average compensation.

21 A person who re-enters the service of a department within 3
22 years after retiring may qualify to have the retirement annuity
23 computed as though the member had not previously retired by
24 paying to the System, within 5 years after re-entry and prior
25 to subsequent retirement, in a lump sum or in installment
26 payments in accordance with such rules as may be adopted by the

1 Board, an amount equal to all retirement payments received,
2 including any payments received in accordance with subsection
3 (c) or (d) of Section 14-130, plus regular interest from the
4 date retirement payments were suspended to the date of
5 repayment.

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

7 (40 ILCS 5/14-152.1)

8 Sec. 14-152.1. Application and expiration of new benefit
9 increases.

10 (a) As used in this Section, "new benefit increase" means
11 an increase in the amount of any benefit provided under this
12 Article, or an expansion of the conditions of eligibility for
13 any benefit under this Article, that results from an amendment
14 to this Code that takes effect after June 1, 2005 (the
15 effective date of Public Act 94-4) ~~this amendatory Act of the~~
16 ~~94th General Assembly~~. "New benefit increase", however, does
17 not include any benefit increase resulting from the changes
18 made to this Article by this amendatory Act of the 95th General
19 Assembly.

20 (b) Notwithstanding any other provision of this Code or any
21 subsequent amendment to this Code, every new benefit increase
22 is subject to this Section and shall be deemed to be granted
23 only in conformance with and contingent upon compliance with
24 the provisions of this Section.

25 (c) The Public Act enacting a new benefit increase must

1 identify and provide for payment to the System of additional
2 funding at least sufficient to fund the resulting annual
3 increase in cost to the System as it accrues.

4 Every new benefit increase is contingent upon the General
5 Assembly providing the additional funding required under this
6 subsection. The Commission on Government Forecasting and
7 Accountability shall analyze whether adequate additional
8 funding has been provided for the new benefit increase and
9 shall report its analysis to the Public Pension Division of the
10 Department of Financial and Professional Regulation. A new
11 benefit increase created by a Public Act that does not include
12 the additional funding required under this subsection is null
13 and void. If the Public Pension Division determines that the
14 additional funding provided for a new benefit increase under
15 this subsection is or has become inadequate, it may so certify
16 to the Governor and the State Comptroller and, in the absence
17 of corrective action by the General Assembly, the new benefit
18 increase shall expire at the end of the fiscal year in which
19 the certification is made.

20 (d) Every new benefit increase shall expire 5 years after
21 its effective date or on such earlier date as may be specified
22 in the language enacting the new benefit increase or provided
23 under subsection (c). This does not prevent the General
24 Assembly from extending or re-creating a new benefit increase
25 by law.

26 (e) Except as otherwise provided in the language creating

1 the new benefit increase, a new benefit increase that expires
2 under this Section continues to apply to persons who applied
3 and qualified for the affected benefit while the new benefit
4 increase was in effect and to the affected beneficiaries and
5 alternate payees of such persons, but does not apply to any
6 other person, including without limitation a person who
7 continues in service after the expiration date and did not
8 apply and qualify for the affected benefit while the new
9 benefit increase was in effect.

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

11 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

12 Sec. 18-127. Retirement annuity - suspension on
13 reemployment.

14 (a) A participant receiving a retirement annuity who is
15 regularly employed for compensation by an employer other than a
16 county, in any capacity, shall have his or her retirement
17 annuity payments suspended during such employment. Upon
18 termination of such employment, retirement annuity payments at
19 the previous rate shall be resumed.

20 If such a participant resumes service as a judge, he or she
21 shall receive credit for any additional service. Upon
22 subsequent retirement, his or her retirement annuity shall be
23 the amount previously granted, plus the amount earned by the
24 additional judicial service under the provisions in effect
25 during the period of such additional service. However, if the

1 participant was receiving the maximum rate of annuity at the
2 time of re-employment, he or she may elect, in a written
3 direction filed with the board, not to receive any additional
4 service credit during the period of re-employment. In such
5 case, contributions shall not be required during the period of
6 re-employment. Any such election shall be irrevocable.

7 (b) Beginning January 1, 1991, any participant receiving a
8 retirement annuity who accepts temporary employment from an
9 employer other than a county for a period not exceeding 75
10 working days in any calendar year shall not be deemed to be
11 regularly employed for compensation or to have resumed service
12 as a judge for the purposes of this Article. A day shall be
13 considered a working day if the annuitant performs on it any of
14 his duties under the temporary employment agreement.

15 (c) Except as provided in subsection (a), beginning January
16 1, 1993, retirement annuities shall not be subject to
17 suspension upon resumption of employment for an employer, and
18 any retirement annuity that is then so suspended shall be
19 reinstated on that date.

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

24 (e) A participant receiving a retirement annuity under this
25 Article who (i) serves as a part-time employee in any of the
26 following positions: Legislative Inspector General, Special

1 Legislative Inspector General, employee of the Office of the
2 Legislative Inspector General, Executive Director of the
3 Legislative Ethics Commission, or staff of the Legislative
4 Ethics Commission or (ii) serves on the Illinois Gaming Board
5 or as the Director of Gaming Enforcement, but has not elected
6 to participate in the Article 14 System with respect to that
7 service, shall not be deemed to be regularly employed for
8 compensation by an employer other than a county, nor to have
9 resumed service as a judge, on the basis of that service, and
10 the retirement annuity payments and other benefits of that
11 person under this Code shall not be suspended, diminished, or
12 otherwise impaired solely as a consequence of that service.
13 This subsection (e) applies without regard to whether the
14 person is in service as a judge under this Article on or after
15 the effective date of this amendatory Act of the 93rd General
16 Assembly. In this subsection, a "part-time employee" is a
17 person who is not required to work at least 35 hours per week.
18 The changes made to this subsection (e) by this amendatory Act
19 of the 95th General Assembly apply without regard to whether
20 the person is in service as a judge under this Article on or
21 after the effective date of this amendatory Act of the 95th
22 General Assembly.

23 (f) A participant receiving a retirement annuity under this
24 Article who has made an election under Section 1-123 and who is
25 serving either as legal counsel in the Office of the Governor
26 or as Chief Deputy Attorney General shall not be deemed to be

1 regularly employed for compensation by an employer other than a
2 county, nor to have resumed service as a judge, on the basis of
3 that service, and the retirement annuity payments and other
4 benefits of that person under this Code shall not be suspended,
5 diminished, or otherwise impaired solely as a consequence of
6 that service. This subsection (f) applies without regard to
7 whether the person is in service as a judge under this Article
8 on or after the effective date of this amendatory Act of the
9 93rd General Assembly.

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

11 (40 ILCS 5/18-169)

12 Sec. 18-169. Application and expiration of new benefit
13 increases.

14 (a) As used in this Section, "new benefit increase" means
15 an increase in the amount of any benefit provided under this
16 Article, or an expansion of the conditions of eligibility for
17 any benefit under this Article, that results from an amendment
18 to this Code that takes effect after June 1, 2005 (the
19 effective date Public Act 94-4) ~~of this amendatory Act of the~~
20 ~~94th General Assembly.~~ "New benefit increase", however, does
21 not include any benefit increase resulting from the changes
22 made to this Article by this amendatory Act of the 95th General
23 Assembly.

24 (b) Notwithstanding any other provision of this Code or any
25 subsequent amendment to this Code, every new benefit increase

1 is subject to this Section and shall be deemed to be granted
2 only in conformance with and contingent upon compliance with
3 the provisions of this Section.

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

8 Every new benefit increase is contingent upon the General
9 Assembly providing the additional funding required under this
10 subsection. The Commission on Government Forecasting and
11 Accountability shall analyze whether adequate additional
12 funding has been provided for the new benefit increase and
13 shall report its analysis to the Public Pension Division of the
14 Department of Financial and Professional Regulation. A new
15 benefit increase created by a Public Act that does not include
16 the additional funding required under this subsection is null
17 and void. If the Public Pension Division determines that the
18 additional funding provided for a new benefit increase under
19 this subsection is or has become inadequate, it may so certify
20 to the Governor and the State Comptroller and, in the absence
21 of corrective action by the General Assembly, the new benefit
22 increase shall expire at the end of the fiscal year in which
23 the certification is made.

24 (d) Every new benefit increase shall expire 5 years after
25 its effective date or on such earlier date as may be specified
26 in the language enacting the new benefit increase or provided

1 under subsection (c). This does not prevent the General
2 Assembly from extending or re-creating a new benefit increase
3 by law.

4 (e) Except as otherwise provided in the language creating
5 the new benefit increase, a new benefit increase that expires
6 under this Section continues to apply to persons who applied
7 and qualified for the affected benefit while the new benefit
8 increase was in effect and to the affected beneficiaries and
9 alternate payees of such persons, but does not apply to any
10 other person, including without limitation a person who
11 continues in service after the expiration date and did not
12 apply and qualify for the affected benefit while the new
13 benefit increase was in effect.

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

15 Section 1-103. The Illinois Municipal Code is amended by
16 adding Section 9-1-15 as follows:

17 (65 ILCS 5/9-1-15 new)

18 Sec. 9-1-15. The Chicago Infrastructure Fund. The City of
19 Chicago may establish a Chicago Infrastructure Fund. The City
20 shall deposit into the Fund all amounts from appropriations,
21 transfers, gifts, grants, donations, and any other legal source
22 designated for deposit into the Fund. Until needed for
23 expenditure, the City shall invest the amounts held in the Fund
24 in investments permitted under the Public Funds Investment Act.

1 Amounts on deposit in the Fund and interest and other
2 investment earnings on those amounts shall be expended by the
3 City solely for costs of making transportation-related capital
4 improvements. Upon appropriation by law of amounts to the City
5 of Chicago for deposit into the Chicago Infrastructure Fund,
6 the Comptroller shall order paid and the Treasurer shall pay to
7 the City the appropriated amounts.

8 Section 1-104. The Regional Transportation Authority Act
9 is amended by adding Section 4.03.4 as follows:

10 (70 ILCS 3615/4.03.4 new)

11 Sec. 4.03.4. The Regional Transportation Authority
12 Infrastructure Fund. The Authority shall establish the
13 Regional Transportation Authority Infrastructure Fund. The
14 Authority shall deposit into the Fund all amounts designated
15 for deposit into the Fund from appropriations, transfers,
16 gifts, grants, donations, and any other legal source. Until
17 needed for expenditure, the Authority shall invest the amounts
18 held in the Fund in investments permitted under the Public
19 Funds Investment Act. Amounts on deposit in the Fund, and
20 interest and other investment earnings on those amounts, shall
21 be expended by the Authority solely for costs of making capital
22 improvements. Upon appropriation by law of amounts to the
23 Authority for deposit into the Regional Transportation
24 Authority Infrastructure Fund, the Comptroller shall order

1 paid and the Treasurer shall pay to the Authority the
2 appropriated amounts. The Auditor General may audit or cause to
3 be audited the income and expenditures of the Fund.

4 Section 1-105. The Riverboat Gambling Act is amended by
5 changing Sections 5, 5.1, 6, 13, and 17 and by adding Sections
6 5.2, 5.3, 5.4, 5.5, 5.7, and 14.5 as follows:

7 (230 ILCS 10/5) (from Ch. 120, par. 2405)

8 Sec. 5. Gaming Board.

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

19 (2) The Board shall consist of 5 members to be appointed by
20 the Governor with the advice and consent of the Senate, one of
21 whom shall be designated by the Governor to be chairperson
22 ~~chairman~~. Each member shall have a reasonable knowledge of the
23 practice, procedure and principles of gambling operations.
24 Each member shall either be a resident of Illinois or shall

1 certify that he or she will become a resident of Illinois
2 before taking office. Notwithstanding any provision of this
3 Section to the contrary, the term of office of each member of
4 the Board serving on the effective date of this amendatory Act
5 of the 95th General Assembly ends and those members shall hold
6 office only until their successors are appointed and qualified
7 pursuant to this amendatory Act of the 95th General Assembly.
8 Members appointed pursuant to this amendatory Act of the 95th
9 General Assembly and their successors shall serve on a
10 full-time basis and may not hold any other employment for which
11 they are compensated.

12 Beginning on the effective date of this amendatory Act of
13 the 95th General Assembly, the Board shall consist of 5 members
14 appointed by the Governor from nominations presented to the
15 Governor by the Nomination Panel and with the advice and
16 consent of the Senate by a record vote of at least two-thirds
17 of the members elected. The Board must include the following:

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

22 (2) One member must be a certified public accountant
23 with experience in auditing and with knowledge of complex
24 corporate structures and transactions.

25 (3) One member must have 5 years' experience as a
26 principal, senior officer, or director of a company or

1 business with either material responsibility for the daily
2 operations and management of the overall company or
3 business or material responsibility for the policy making
4 of the company or business.

5 (4) Two members must be former judges elected or
6 appointed to judicial office in Illinois or former federal
7 judges appointed to serve in Illinois.

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

25 (3) The terms of office of the Board members shall be 4 ~~3~~
26 years, except that the terms of office of the initial Board

1 members appointed pursuant to this amendatory Act of the 95th
2 General Assembly Act will commence from the effective date of
3 this amendatory Act and run as follows, to be determined by
4 lot: one for a term ending July 1 of the year following
5 confirmation, 1991, one 2 for a term ending July 1 two years
6 following confirmation, 1992, one and 2 for a term ending July
7 1 three years following confirmation, and 2 for a term ending
8 July 1 four years following confirmation 1993. Upon the
9 expiration of the foregoing terms, the successors of such
10 members shall serve a term for 4 3 years and until their
11 successors are appointed and qualified for like terms.
12 Vacancies in the Board shall be filled for the unexpired term
13 in like manner as original appointments. Each member of the
14 Board shall be eligible for reappointment, subject to the
15 nomination process of the Nomination Panel, by at the
16 discretion of the Governor with the advice and consent of the
17 Senate by a record vote of at least two-thirds of the members
18 elected.

19 (4) For members appointed pursuant to this amendatory Act
20 of the 95th General Assembly and their successors, the chairman
21 of the Board shall receive an annual salary equal to the annual
22 salary of a State appellate court judge, and other members of
23 the Board shall receive an annual salary equal to the annual
24 salary of a State circuit court judge. Each member of the Board
25 shall receive \$300 for each day the Board meets and for each
26 day the member conducts any hearing pursuant to this Act. Each

1 member of the Board shall also be reimbursed for all actual and
2 necessary expenses and disbursements incurred in the execution
3 of official duties.

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

17 (6) Any member of the Board may be removed by the Governor
18 for neglect of duty, misfeasance, malfeasance, or nonfeasance
19 in office or for engaging in any political activity as defined
20 in subsection (g) of Section 5.5.

21 (7) Before entering upon the discharge of the duties of his
22 office, each member of the Board shall take an oath that he
23 will faithfully execute the duties of his office according to
24 the laws of the State and the rules and regulations adopted
25 therewith and shall give bond to the State of Illinois,
26 approved by the Governor, in the sum of \$25,000. Every such

1 bond, when duly executed and approved, shall be recorded in the
2 office of the Secretary of State. Whenever the Governor
3 determines that the bond of any member of the Board has become
4 or is likely to become invalid or insufficient, he shall
5 require such member forthwith to renew his bond, which is to be
6 approved by the Governor. Any member of the Board who fails to
7 take oath and give bond within 30 days from the date of his
8 appointment, or who fails to renew his bond within 30 days
9 after it is demanded by the Governor, shall be guilty of
10 neglect of duty and may be removed by the Governor. The cost of
11 any bond given by any member of the Board under this Section
12 shall be taken to be a part of the necessary expenses of the
13 Board.

14 (8) ~~The~~ Upon the request of the Board, the Department shall
15 employ such personnel as may be necessary to carry out its ~~the~~
16 functions and shall determine the salaries of all personnel,
17 except those personnel whose salaries are determined under the
18 terms of a collective bargaining agreement. An employee or the
19 employee's spouse, parent, or child may not for 2 years
20 immediately preceding employment, during employment and for 5
21 years after employment have a financial interest in or
22 financial relationship with any person or entity, or its parent
23 or affiliate that is engaged or has engaged in business with
24 the Board or a licensee of the Board. No person shall be
25 ~~employed to serve the Board who is, or whose spouse, parent or~~
26 ~~child is, an official of, or has a financial interest in or~~

1 ~~financial relation with, any operator engaged in gambling~~
2 ~~operations within this State or any organization engaged in~~
3 ~~conducting horse racing within this State.~~ Any employee
4 violating these prohibitions shall be subject to termination of
5 employment.

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

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

20 (1) To decide promptly and in reasonable order all
21 license applications. Any party aggrieved by an action of
22 the Board denying, suspending, revoking, restricting or
23 refusing to renew a license may request a hearing before
24 the Board. A request for a hearing must be made to the
25 Board in writing within 5 days after service of notice of
26 the action of the Board. Notice of the action of the Board

1 shall be served either by personal delivery or by certified
2 mail, postage prepaid, to the aggrieved party. Notice
3 served by certified mail shall be deemed complete on the
4 business day following the date of such mailing. The Board
5 shall conduct all requested hearings promptly and in
6 reasonable order;

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

10 (3) To promulgate such rules and regulations as in its
11 judgment may be necessary to protect or enhance the
12 credibility and integrity of gambling operations
13 authorized by this Act and the regulatory process
14 hereunder;

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

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

26 (6) (Blank) ~~To be present through its inspectors and~~

1 ~~agents any time gambling operations are conducted on any~~
2 ~~riverboat for the purpose of certifying the revenue~~
3 ~~thereof, receiving complaints from the public, and~~
4 ~~conducting such other investigations into the conduct of~~
5 ~~the gambling games and the maintenance of the equipment as~~
6 ~~from time to time the Board may deem necessary and proper;~~

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

16 (8) (Blank) ~~To hold at least one meeting each quarter~~
17 ~~of the fiscal year. In addition, special meetings may be~~
18 ~~called by the Chairman or any 2 Board members upon 72 hours~~
19 ~~written notice to each member. All Board meetings shall be~~
20 ~~subject to the Open Meetings Act. Three members of the~~
21 ~~Board shall constitute a quorum, and 3 votes shall be~~
22 ~~required for any final determination by the Board. The~~
23 ~~Board shall keep a complete and accurate record of all its~~
24 ~~meetings. A majority of the members of the Board shall~~
25 ~~constitute a quorum for the transaction of any business,~~
26 ~~for the performance of any duty, or for the exercise of any~~

1 ~~power which this Act requires the Board members to~~
2 ~~transact, perform or exercise en banc, except that, upon~~
3 ~~order of the Board, one of the Board members or an~~
4 ~~administrative law judge designated by the Board may~~
5 ~~conduct any hearing provided for under this Act or by Board~~
6 ~~rule and may recommend findings and decisions to the Board.~~
7 ~~The Board member or administrative law judge conducting~~
8 ~~such hearing shall have all powers and rights granted to~~
9 ~~the Board in this Act. The record made at the time of the~~
10 ~~hearing shall be reviewed by the Board, or a majority~~
11 ~~thereof, and the findings and decision of the majority of~~
12 ~~the Board shall constitute the order of the Board in such~~
13 ~~case;~~

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

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

25 (11) (Blank); and

26 (12) (Blank); and ~~To assume responsibility for the~~

1 ~~administration and enforcement of the Bingo License and Tax~~
2 ~~Act, the Charitable Games Act, and the Pull Tabs and Jar~~
3 ~~Games Act if such responsibility is delegated to it by the~~
4 ~~Director of Revenue.~~

5 (13) To exercise powers and perform the duties provided
6 for pursuant to the Illinois Lottery Law.

7 (c) The Board shall have jurisdiction over and shall
8 supervise all gambling operations governed by this Act. The
9 Board shall have all powers necessary and proper to fully and
10 effectively execute the provisions of this Act, including, but
11 not limited to, the following:

12 (1) To ~~investigate applicants and~~ determine the
13 eligibility of applicants for licenses and to select among
14 competing applicants the applicants which best serve the
15 interests of the citizens of Illinois.

16 (2) To have jurisdiction and supervision over all
17 riverboat gambling operations in this State and all persons
18 on riverboats where gambling operations are conducted.

19 (3) To promulgate rules and regulations for the purpose
20 of administering the provisions of this Act and to
21 prescribe rules, regulations and conditions under which
22 all riverboat gambling in the State shall be conducted.
23 Such rules and regulations are to provide for the
24 prevention of practices detrimental to the public interest
25 and for the best interests of riverboat gambling, including
26 rules and regulations regarding the inspection of such

1 riverboats and the review of any permits or licenses
2 necessary to operate a riverboat under any laws or
3 regulations applicable to riverboats, and to impose
4 penalties for violations thereof.

5 (4) (Blank). ~~To enter the office, riverboats,~~
6 ~~facilities, or other places of business of a licensee,~~
7 ~~where evidence of the compliance or noncompliance with the~~
8 ~~provisions of this Act is likely to be found.~~

9 (5) ~~To investigate alleged violations of this Act or~~
10 ~~the rules of the Board and to~~ take appropriate disciplinary
11 action against a licensee or a holder of an occupational
12 license for a violation, or institute appropriate legal
13 action for enforcement, or both.

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

17 (7) To adopt appropriate standards for all riverboats
18 and facilities.

19 (8) To require that the records, including financial or
20 other statements of any licensee under this Act, shall be
21 kept in such manner as prescribed by the Board and that any
22 such licensee involved in the ownership or management of
23 gambling operations submit to the Board an annual balance
24 sheet and profit and loss statement, list of the
25 stockholders or other persons having a 1% or greater
26 beneficial interest in the gambling activities of each

1 licensee, and any other information the Board deems
2 necessary in order to effectively administer this Act and
3 all rules, regulations, orders and final decisions
4 promulgated under this Act.

5 (9) To conduct hearings, issue subpoenas for the
6 attendance of witnesses and subpoenas duces tecum for the
7 production of books, records and other pertinent documents
8 in accordance with the Illinois Administrative Procedure
9 Act, and to administer oaths and affirmations to the
10 witnesses, when, in the judgment of the Board, it is
11 necessary to administer or enforce this Act or the Board
12 rules.

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

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

21 The Board may suspend an owners license, without
22 notice or hearing upon a determination that the safety or
23 health of patrons or employees is jeopardized by continuing
24 a riverboat's operation. The suspension may remain in
25 effect until the Board determines that the cause for
26 suspension has been abated. The Board may revoke a the

1 owners license upon a determination that the owner has not
2 made satisfactory progress toward abating the hazard.

3 (12) (Blank). ~~To eject or exclude or authorize the~~
4 ~~ejection or exclusion of, any person from riverboat~~
5 ~~gambling facilities where such person is in violation of~~
6 ~~this Act, rules and regulations thereunder, or final orders~~
7 ~~of the Board, or where such person's conduct or reputation~~
8 ~~is such that his presence within the riverboat gambling~~
9 ~~facilities may, in the opinion of the Board, call into~~
10 ~~question the honesty and integrity of the gambling~~
11 ~~operations or interfere with orderly conduct thereof;~~
12 ~~provided that the propriety of such ejection or exclusion~~
13 ~~is subject to subsequent hearing by the Board.~~

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

19 (14) (Blank).

20 (15) To suspend, revoke or restrict licenses, to
21 require the removal of a licensee or an employee of a
22 licensee for a violation of this Act or a Board rule or for
23 engaging in a fraudulent practice, and to impose civil
24 penalties of up to \$5,000 against individuals and up to
25 \$10,000 or an amount equal to the daily gross receipts,
26 whichever is larger, against licensees for each violation

1 of any provision of the Act, any rules adopted by the
2 Board, any order of the Board or any other action which, in
3 the Board's discretion, is a detriment or impediment to
4 riverboat gambling operations.

5 (16) To hire employees to ~~gather information, conduct~~
6 ~~investigations and~~ carry out any other tasks contemplated
7 under this Act.

8 (17) To establish minimum levels of insurance to be
9 maintained by licensees.

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

25 (19) After consultation with the U.S. Army Corps of
26 Engineers, to establish binding emergency orders upon the

1 concurrence of a majority of the members of the Board
2 regarding the navigability of water, relative to
3 excursions, in the event of extreme weather conditions,
4 acts of God or other extreme circumstances.

5 (20) To delegate the execution of any of its powers
6 under this Act for the purpose of administering and
7 enforcing this Act and its rules and regulations hereunder.

8 (21) To review all contracts entered into by owners
9 licensees authorized under this Act. Beginning when the
10 Board has been appointed and confirmed as provided for in
11 this amendatory Act of the 95th General Assembly, the Board
12 must review and approve all contracts entered into by an
13 owners licensee for an aggregate amount of \$50,000 or more
14 or for a term to exceed 365 days. If a contract has been
15 entered into prior to Board authorization of a requested
16 action, then the contract is not valid until the Board
17 approves both the requested action and the contract itself.

18 (24) ~~(21)~~ To take any other action as may be reasonable
19 or appropriate to enforce this Act and rules and
20 regulations hereunder.

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

1 ~~of Section 2605-400 of the Department of State Police Law (20~~
2 ~~ILCS 2605/2605-400).~~

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

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

1 of the Board in such case.

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

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

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

1 undesirable conditions in connection with the operation and
2 regulation of gambling operations.

3 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883,
4 eff. 1-1-01.)

5 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

6 Sec. 5.1. Disclosure of records.

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

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

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

24 (3) An identification of any business, including, if
25 applicable, the state of incorporation or registration, in

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

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

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

1 non-renewal, including the licensing authority, the date
2 each such action was taken, and the reason for each such
3 action.

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

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

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

25 (9) Whether an applicant or licensee has made, directly
26 or indirectly, any political contribution, or any loans,

1 donations or other payments, to any candidate or office
2 holder, within 5 years from the date of filing the
3 application, including the amount and the method of
4 payment.

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

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

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

18 (b) Notwithstanding any applicable statutory provision to
19 the contrary, the Board shall, on written request from any
20 person, also provide the following information:

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

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

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

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

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

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

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

12 (Source: P.A. 87-826.)

13 (230 ILCS 10/5.2 new)

14 Sec. 5.2. Separation from Department of Revenue. On the
15 effective date of this amendatory Act of the 95th General
16 Assembly, all of the powers, duties, assets, liabilities,
17 employees, contracts, property, records, pending business, and
18 unexpended appropriations of the Department of Revenue related
19 to the administration and enforcement of this Act are
20 transferred to the Illinois Gaming Board and the Office of
21 Gaming Enforcement.

22 The status and rights of the transferred employees, and the
23 rights of the State of Illinois and its agencies, under the
24 Personnel Code and applicable collective bargaining agreements
25 or under any pension, retirement, or annuity plan are not

1 affected (except as provided in the Illinois Pension Code) by
2 that transfer or by any other provision of this amendatory Act
3 of the 95th General Assembly.

4 (230 ILCS 10/5.3 new)

5 Sec. 5.3. Nomination Panel.

6 (a) The Nomination Panel is established to provide a list
7 of candidates to the Governor for appointment to the Illinois
8 Gaming Board and the position of Director of Gaming
9 Enforcement. Members of the Nomination Panel shall be appointed
10 by a majority vote of the following appointing authorities: (1)
11 the Executive Ethics Commissioner appointed by the Secretary of
12 State; (2) the Executive Ethics Commissioner appointed by the
13 Treasurer; (3) the Executive Ethics Commissioner appointed by
14 the Comptroller; (4) the Executive Ethics Commissioner
15 appointed by the Attorney General; and (5) the Executive Ethics
16 Commissioner appointed to serve as the first Chairman of the
17 Executive Ethics Commission, or, upon his disqualification,
18 refusal to serve, or resignation, the longest-serving
19 Executive Ethics Commissioner appointed by the Governor.
20 However, the appointing authorities as of the effective date of
21 this amendatory Act of the 95th General Assembly shall remain
22 empowered to fill vacancies on the Nomination Panel until all
23 members of the new Gaming Board and the Director of Gaming
24 Enforcement have been appointed and qualified, regardless of
25 whether such appointing authorities remain members of the

1 Executive Ethics Commission. In the event of such appointing
2 authority's disqualification, resignation, or refusal to serve
3 as an appointing authority, the Constitutional officer that
4 appointed the Executive Ethics Commissioner may name a designee
5 to serve as an appointing authority for the Nomination Panel.
6 The appointing authorities may hold so many public or
7 non-public meetings as is required to fulfill their duties, and
8 may utilize the staff and budget of the Executive Ethics
9 Commission in carrying out their duties; provided, however,
10 that a final vote on appointees to the Nomination Panel shall
11 take place in a meeting governed by the Open Meetings Act. Any
12 ex parte communications regarding the Nomination Panel must be
13 made a part of the record at the next public meeting and part
14 of a written record. The appointing authorities shall file a
15 list of members of the Nomination Panel with the Secretary of
16 State within 60 days after the effective date of this
17 amendatory Act of the 95th General Assembly. A vacancy on the
18 Nomination Panel due to disqualification or resignation must be
19 filled within 60 days of a vacancy and the appointing
20 authorities must file the name of the new appointee with the
21 Secretary of State.

22 (b) The Nomination Panel shall consist of the following
23 members: (i) 2 members shall be former federal or State judges
24 from Illinois, (ii) 2 members shall be former federal
25 prosecutors from Illinois, (iii) one member shall be a former
26 sworn federal officer with investigatory experience with a

1 federal agency, including but not limited to the Federal Bureau
2 of Investigation, the Internal Revenue Service, the Securities
3 and Exchange Commission, the Drug Enforcement Administration,
4 the Bureau of Alcohol, Tobacco, Firearms and Explosives, or any
5 other federal agency, (iv) 2 members shall be former members of
6 federal agencies with experience in regulatory oversight, and
7 (v) 2 members shall have at least 5 years of experience with
8 nonprofit agencies in Illinois committed to public-interest
9 advocacy for which the appointing authorities shall solicit
10 recommendations from the Campaign for Political Reform, the
11 Better Government Association, the Chicago Crime Commission,
12 the League of Women Voters, the Urban League, the Mexican
13 American Legal Defense and Educational Fund, and any other
14 source deemed appropriate. Members shall submit statements of
15 economic interest to the Secretary of State. Each member of the
16 Nomination Panel shall receive \$300 for each day the Nomination
17 Panel meets. The Executive Ethics Commission shall provide
18 staff and support to the Nomination Panel pursuant to
19 appropriations available for those purposes.

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

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

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

12 (d) Once an application is submitted to the Nomination
13 Panel and until (1) the nominee is rejected by the Nomination
14 Panel, (2) the nominee is rejected by the Governor, (3) the
15 candidate is rejected by the Senate, or (4) the candidate is
16 confirmed by the Senate, whichever is applicable, a candidate
17 may not engage in ex parte communications, as that term is
18 defined in Section 5.7 of this Act.

19 (e) The Nomination Panel shall conduct a background
20 investigation on candidates eligible for nomination to the
21 Illinois Gaming Board or the position of Director of Gaming
22 Enforcement. For the purpose of making the initial nominations
23 after the effective date of this amendatory Act of the 95th
24 General Assembly, the Nomination Panel shall request the
25 assistance of the Federal Bureau of Investigation to conduct
26 background investigations. If the Federal Bureau of

1 Investigation does not agree to conduct background
2 investigations, or the Federal Bureau of Investigations cannot
3 conduct the background investigations within 120 days after the
4 request is made, the Nomination Panel may contract with an
5 independent agency that specializes in conducting personal
6 investigations. After the Office of Gaming Enforcement is
7 operational, the Nomination Panel must use the Office of Gaming
8 Enforcement's investigatory staff. The Office of Gaming
9 Enforcement may seek the assistance of the Federal Bureau of
10 Investigation or an independent agency that specializes in
11 conducting background investigations. The Nomination Panel and
12 the Office of Gaming Enforcement may not engage the services or
13 enter into any contract with State or local law enforcement
14 agencies for the conduct of background investigations.

15 (f) The Nomination Panel must review written applications,
16 determine eligibility for oral interviews, confirm
17 satisfactory background investigations, and hold public
18 hearings on qualifications of candidates. Initial interviews
19 of candidates need not be held in meetings subject to the Open
20 Meetings Act; members or staff may arrange for informal
21 interviews. Prior to recommendation, however, the Nomination
22 Panel must question candidates in a meeting subject to the Open
23 Meetings Act under oath.

24 (g) The Nomination Panel must recommend candidates for
25 nomination to the Illinois Gaming Board and the position of
26 Director of Gaming Enforcement. The Nomination Panel shall

1 recommend 3 candidates for every open position and prepare a
2 memorandum detailing the candidates' qualifications. The names
3 and the memorandum must be delivered to the Governor and filed
4 with the Secretary of State. The Governor may choose only from
5 the recommendations of the Nomination Panel and must nominate a
6 candidate for every open position within 30 days of receiving
7 the recommendations. The Governor shall file the names of his
8 nominees with the Secretary of the Senate and the Secretary of
9 State. If the Governor does not name a nominee for every open
10 position, then the Nomination Panel may select the remaining
11 nominees for the Illinois Gaming Board or the position of
12 Director of Gaming Enforcement. For the purpose of making the
13 initial recommendations after the effective date of this
14 amendatory Act of the 95th General Assembly, the Nomination
15 Panel shall make recommendations to the Governor no later than
16 150 days after appointment of all members of the Nomination
17 Panel. For the purpose of filling subsequent vacancies, the
18 Nomination Panel shall make recommendations to the Governor
19 within 90 days of a vacancy in office.

20 (h) Selections by the Governor must receive the advice and
21 consent of the Senate by record vote of at least two-thirds of
22 the members elected.

23 (230 ILCS 10/5.4 new)

24 Sec. 5.4. Office of Gaming Enforcement.

25 (a) There is established the Office of Gaming Enforcement

1 (the "Office"), which shall have the powers and duties
2 specified in this Act and the Illinois Lottery Law. Its
3 jurisdiction shall extend under this Act and the Illinois
4 Lottery Law to every licensee, person, association,
5 corporation, partnership and trust involved in gambling and
6 lottery operations in the State of Illinois.

7 (b) The Office shall have an officer as its head who shall
8 be known as the Director and who shall execute the powers and
9 discharge the duties given to the Office by this Act and the
10 Illinois Lottery Law. The Director must have at least 10 years
11 experience in law enforcement and investigatory methods at the
12 federal or state level, but not necessarily in Illinois, with a
13 preference given for experience in regulation or investigation
14 in the gaming industry. Nominations for the position of
15 Director must be made by the Nomination Panel as provided in
16 Section 5.3. The Director of the Office may be removed by the
17 Governor for neglect of duty, misfeasance, malfeasance, or
18 nonfeasance in office or for engaging in political activity as
19 defined in subsection (g) of Section 5.5. The Director shall
20 receive an annual salary equal to the annual salary of a State
21 appellate court judge and shall hold no other employment for
22 which he or she receives compensation. The Director may not
23 hold a local, state, or federal elective or appointive office
24 or be employed by a local, state, or federal governmental
25 entity while in office.

26 (c) The Director shall employ such personnel as may be

1 necessary to carry out the functions of the Office and shall
2 determine the salaries of all personnel, except those personnel
3 whose salaries are determined under the terms of a collective
4 bargaining agreement. An employee or the employee's spouse,
5 parent, or child, may not for 2 years immediately preceding
6 employment, during employment, and for 5 years after employment
7 have a financial interest in or financial relationship with any
8 person or entity, or its parent or affiliate that is engaged or
9 has engaged in business with the Board or a licensee. Any
10 employee violating these prohibitions is subject to
11 termination of employment.

12 (d) In addition to its powers and duties specified in the
13 Illinois Lottery Law, the Office shall have general
14 responsibility for the investigation and enforcement of this
15 Act. Its powers and duties include without limitation the
16 following:

17 (1) To be present through its inspectors and agents any
18 time gambling operations are conducted for the purpose of
19 certifying the revenue thereof, receiving complaints from
20 the public, and conducting such other investigations into
21 the conduct of the gambling games and the maintenance of
22 the equipment as from time to time the Office may deem
23 necessary and proper.

24 (2) To supervise all gambling operations authorized
25 under this Act and all persons in places where riverboat
26 gambling operations are conducted.

1 (3) To promulgate rules regarding the inspection of
2 riverboats.

3 (4) To enter the facility or other places of business
4 of a licensee under this Act where evidence of the
5 compliance or noncompliance with the provisions of those
6 Acts are likely to be found.

7 (5) To exchange fingerprint data with, and receive
8 criminal history record information from, the Federal
9 Bureau of Investigation, to the extent possible, and the
10 Department of State Police for use in considering
11 applicants for any license.

12 (6) To eject or exclude or authorize the ejection or
13 exclusion of any person from a riverboat where the person
14 is in violation of this Act, rules thereunder, or final
15 orders of the Board, or where such person's conduct or
16 reputation is such that his or her presence within the
17 riverboat may call into question the honesty and integrity
18 of the gambling operations or interfere with the orderly
19 conduct thereof; provided that the propriety of such
20 ejection or exclusion is subject to subsequent hearing.

21 (7) To hire employees to gather information, conduct
22 investigations, and carry out any other tasks contemplated
23 under this Act.

24 (8) To conduct investigations on its own initiative or
25 as requested by the Illinois Gaming Board or the Nomination
26 Panel, including without limitation investigations for

1 suspected violations of this Act and investigations for
2 issuance or renewal of a license.

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

9 (f) The Office is a law enforcement agency, and its
10 employees and agents shall have such law enforcement powers as
11 may be delegated to them by the Attorney General to effectuate
12 the purposes of this Act.

13 (g) Whenever the Office has reason to believe that any
14 person may be in possession, custody, or control of any
15 documentary material or information relevant to an
16 investigation, the Office may, before commencing a civil
17 proceeding under this Act, issue in writing and cause to be
18 served upon such person, a subpoena requiring such person: (A)
19 to produce such documentary material for inspection and
20 copying, (B) to answer, in writing, written interrogatories
21 with respect to such documentary material or information, (C)
22 to give oral testimony concerning such documentary material or
23 information, or (D) to furnish any combination of such
24 material, answers, or testimony.

25 (h) The Office may order any person to answer a question or
26 questions or produce evidence of any kind and confer immunity

1 as provided in this subsection. If, in the course of any
2 investigation or hearing conducted under this Act, a person
3 refuses to answer a question or produce evidence on the ground
4 that he or she will be exposed to criminal prosecution thereby,
5 then in addition to any other remedies or sanctions provided
6 for by this Act, the Office may, by resolution of the Board and
7 after the written approval of the Attorney General, issue an
8 order to answer or to produce evidence with immunity. Hearings,
9 documents, and other communications regarding the granting of
10 immunity are not subject to the Freedom of Information Act or
11 the Open Meetings Act. If, upon issuance of such an order, the
12 person complies therewith, he or she shall be immune from
13 having such responsive answer given by him or her or such
14 responsive evidence produced by him or her, or evidence derived
15 therefrom, used to expose him or her to criminal prosecution,
16 except that such person may nevertheless be prosecuted for any
17 perjury committed in such answer or in producing such evidence,
18 or for contempt for failing to give an answer or produce
19 evidence in accordance with the order of the Office; provided,
20 however, that no period of incarceration for contempt shall
21 exceed 18 months in duration. Any such answer given or evidence
22 produced shall be admissible against him or her upon any
23 criminal investigation, proceeding, or trial against him or her
24 for such perjury; upon any investigation, proceeding or trial
25 against him or her for such contempt; or in any manner
26 consistent with State and constitutional provisions.

1 (i) When the Office or any entity authorized under this Act
2 is authorized or required by law to conduct a background
3 investigation, the Office shall:

4 (1) conduct a criminal history record check
5 investigation to obtain any information currently or
6 subsequently contained in the files of the State Police
7 and, if possible, the Federal Bureau of Investigation,
8 regarding possible criminal behavior, including
9 misdemeanor and felony convictions;

10 (2) conduct a civil action record check investigation
11 to obtain information regarding any civil matters to which
12 the person was a party, witness, or in any way
13 substantially participated in the matter;

14 (3) conduct investigation of personal and professional
15 references and acquaintances, including, but not limited
16 to, current and former employers or employees; or

17 (4) conduct investigation of financial history.

18 (230 ILCS 10/5.5 new)

19 Sec. 5.5. Ethics provisions.

20 (a) Conflict of interest. Board members, members of the
21 Nomination Panel, the Director of Gaming Enforcement, and
22 employees may not engage in communications or any activity that
23 may cause or have the appearance of causing a conflict of
24 interest. A conflict of interest exists if a situation
25 influences or creates the appearance that it may influence

1 judgment or performance of regulatory duties and
2 responsibilities. This prohibition shall extend to any act
3 identified by the Director of Gaming Enforcement's or Board's
4 action that, in the judgment of the Director or Board, could
5 represent the potential for or the appearance of a conflict of
6 interest.

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

25 (c) Gambling. Except as may be required in the conduct of
26 official duties, Board members and employees and the Director

1 of Gaming Enforcement shall not engage in gambling on any
2 riverboat or engage in legalized gambling in any establishment
3 identified by Board action that, in the judgment of the Board,
4 could represent a potential for a conflict of interest.

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

22 (e) Gift ban. Board members, the Director of Gaming
23 Enforcement, members of the Nomination Panel, and employees may
24 not accept any gift, gratuity, service, compensation, travel,
25 lodging, or thing of value, with the exception of unsolicited
26 items of an incidental nature, from any person, corporation or

1 entity doing business with the Board.

2 (f) Abuse of Position. A Board member, member of the
3 Nomination Panel, Director of Gaming Enforcement, or employee
4 shall not use or attempt to use his or her official position to
5 secure, or attempt to secure, any privilege, advantage, favor,
6 or influence for himself or herself or others.

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

19 (h) A spouse, child, or parent of a Board member, member of
20 the Nomination Panel, the Director of Gaming Enforcement, or an
21 employee may not:

22 (1) Have a financial interest, directly or indirectly,
23 in his or her own name or in the name of any other person,
24 partnership, association, trust, corporation, or other
25 entity, in any contract or subcontract for the performance
26 of any work for the Board or any licensee. This prohibition

1 shall extend to the holding or acquisition of an interest
2 in any entity identified by Board action that, in the
3 judgment of the Board, could represent the potential for or
4 the appearance of a conflict of interest. The holding or
5 acquisition of an interest in such entities through an
6 indirect means, such as through a mutual fund, shall not be
7 prohibited, except that the Board may identify specific
8 investments or funds that, in its judgment, are so
9 influenced by gaming holdings as to represent the potential
10 for or the appearance of a conflict of interest.

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

15 (3) Within a period of 2 years immediately after
16 termination of employment, knowingly accept employment or
17 receive compensation or fees for services from a person or
18 entity, or its parent or affiliate, that has engaged in
19 business with the Board or the Office of Gaming Enforcement
20 that resulted in contracts with an aggregate value of at
21 least \$25,000 or if the Board or Office has made a decision
22 that directly applies to the person or entity, or its
23 parent or affiliate.

24 (i) Any Board member, member of the Nomination Panel,
25 Director of Gaming Enforcement, or employee or spouse, child,
26 or parent of a Board member, member of the Nomination Panel,

1 Director of Gaming Enforcement, or employee who knowingly
2 violates any provision of this Section is guilty of a Class 4
3 felony.

4 (230 ILCS 10/5.7 new)

5 Sec. 5.7. Ex parte communications.

6 (a) For the purpose of this Section:

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

21 "Interested party" means a person or entity whose rights,
22 privileges, or interests are the subject of or are directly
23 affected by a regulatory, quasi-adjudicatory, investment, or
24 licensing matter of the Board.

25 (b) A constitutional officer, a member of the General

1 Assembly, a special government agent as that term is defined in
2 Section 4A-101 of the Illinois Governmental Ethics Act, a
3 director, secretary, or other employee of the executive branch
4 of the State, an employee of the legislative branch of the
5 State, or an interested party may not engage in any ex parte
6 communication with a member of the Board or an employee. A
7 member of the Board or an employee must immediately report any
8 ex parte communication to the Inspector General for gaming
9 activities. A knowing violation of this subsection (b) is a
10 Class 4 felony.

11 (c) A constitutional officer, a member of the General
12 Assembly, a special government agent as that term is defined in
13 Section 4A-101 of the Illinois Governmental Ethics Act, a
14 director, secretary, or other employee of the executive branch
15 of the State, an employee of the legislative branch of the
16 State, or an interested party may not engage in any ex parte
17 communication with a candidate or nominee for the Board or a
18 candidate or nominee for the Director of Gaming Enforcement. A
19 person is deemed a candidate once they have submitted
20 information to the Nomination Panel and a nominee once the
21 Governor nominates the person to fill a position on the Board
22 or as Director. A candidate or nominee must immediately report
23 any ex parte communication to the Inspector General for gaming
24 activities. A knowing violation of this subsection (c) is a
25 Class 4 felony.

26 (d) Any ex parte communication from a constitutional

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

16 (230 ILCS 10/6) (from Ch. 120, par. 2406)

17 Sec. 6. Application for Owners License.

18 (a) A qualified person may apply to the Board for an owners
19 license to conduct a riverboat gambling operation as provided
20 in this Act. The application shall be made on forms provided by
21 the Board and shall contain such information as the Board
22 prescribes, including but not limited to the identity of the
23 riverboat on which such gambling operation is to be conducted
24 and the exact location where such riverboat will be docked, a
25 certification that the riverboat will be registered under this

1 Act at all times during which gambling operations are conducted
2 on board, detailed information regarding the ownership and
3 management of the applicant, and detailed personal information
4 regarding the applicant. Any application for an owners license
5 to be re-issued on or after June 1, 2003 shall also include the
6 applicant's license bid in a form prescribed by the Board.
7 Information provided on the application shall be used as a
8 basis for a thorough background investigation which the Board
9 shall conduct with respect to each applicant. An incomplete
10 application shall be cause for denial of a license by the
11 Board.

12 (b) Applicants shall submit with their application all
13 documents, resolutions, and letters of support from the
14 governing body that represents the municipality or county
15 wherein the licensee will dock.

16 (c) Each applicant shall disclose the identity of every
17 person, association, trust or corporation having a greater than
18 1% direct or indirect pecuniary interest in the riverboat
19 gambling operation with respect to which the license is sought.
20 If the disclosed entity is a trust, the application shall
21 disclose the names and addresses of the beneficiaries; if a
22 corporation, the names and addresses of all stockholders and
23 directors; if a partnership, the names and addresses of all
24 partners, both general and limited.

25 (d) An application shall be filed with the Board by January
26 1 of the year preceding any calendar year for which an

1 applicant seeks an owners license; however, applications for an
2 owners license permitting operations on January 1, 1991 shall
3 be filed by July 1, 1990. An application fee of \$50,000 shall
4 be paid at the time of filing to defray the costs associated
5 with the background investigation conducted by the Board. If
6 the costs of the investigation exceed \$50,000, the applicant
7 shall pay the additional amount to the Board. If the costs of
8 the investigation are less than \$50,000, the applicant shall
9 receive a refund of the remaining amount. All information,
10 records, interviews, reports, statements, memoranda or other
11 data supplied to or used by the Board in the course of its
12 review or investigation of an application for a license under
13 this Act shall be privileged, strictly confidential and shall
14 be used only for the purpose of evaluating an applicant. Such
15 information, records, interviews, reports, statements,
16 memoranda or other data shall not be admissible as evidence,
17 nor discoverable in any action of any kind in any court or
18 before any tribunal, board, agency or person, except for any
19 action deemed necessary by the Board.

20 (e) The Board may ~~shall~~ charge each applicant a fee set by
21 the Office ~~Department of State Police~~ to defray the costs
22 associated with the search and classification of fingerprints
23 obtained by the Board with respect to the applicant's
24 application. These fees shall be paid into the State Gaming
25 ~~Police Services~~ Fund.

26 (f) The licensed owner shall be the person primarily

1 responsible for the boat itself. Only one riverboat gambling
2 operation may be authorized by the Board on any riverboat. The
3 applicant must identify each riverboat it intends to use and
4 certify that the riverboat: (1) has the authorized capacity
5 required in this Act; (2) is accessible to disabled persons;
6 and (3) is fully registered and licensed in accordance with any
7 applicable laws.

8 (g) A person who knowingly makes a false statement on an
9 application is guilty of a Class A misdemeanor.

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

11 (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 gross receipts received from gambling games authorized under
15 this Act at the rate of 20%.

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

21 15% of annual adjusted gross receipts up to and
22 including \$25,000,000;

23 20% of annual adjusted gross receipts in excess of
24 \$25,000,000 but not exceeding \$50,000,000;

25 25% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;

2 30% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;

4 35% of annual adjusted gross receipts in excess of
5 \$100,000,000.

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

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 22.5% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 27.5% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 32.5% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 37.5% of annual adjusted gross receipts in excess of
22 \$100,000,000 but not exceeding \$150,000,000;

23 45% of annual adjusted gross receipts in excess of
24 \$150,000,000 but not exceeding \$200,000,000;

25 50% of annual adjusted gross receipts in excess of
26 \$200,000,000.

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

8 15% of annual adjusted gross receipts up to and
9 including \$25,000,000;

10 27.5% of annual adjusted gross receipts in excess of
11 \$25,000,000 but not exceeding \$37,500,000;

12 32.5% of annual adjusted gross receipts in excess of
13 \$37,500,000 but not exceeding \$50,000,000;

14 37.5% of annual adjusted gross receipts in excess of
15 \$50,000,000 but not exceeding \$75,000,000;

16 45% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 50% of annual adjusted gross receipts in excess of
19 \$100,000,000 but not exceeding \$250,000,000;

20 70% of annual adjusted gross receipts in excess of
21 \$250,000,000.

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

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

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

20 15% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 22.5% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$50,000,000;

24 27.5% of annual adjusted gross receipts in excess of
25 \$50,000,000 but not exceeding \$75,000,000;

26 32.5% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;

2 37.5% of annual adjusted gross receipts in excess of
3 \$100,000,000 but not exceeding \$150,000,000;

4 45% of annual adjusted gross receipts in excess of
5 \$150,000,000 but not exceeding \$200,000,000;

6 50% of annual adjusted gross receipts in excess of
7 \$200,000,000.

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

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

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

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

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

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

5 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

20 The changes made to this subsection (a-15) by Public Act
21 94-839 are intended to restate and clarify the intent of Public
22 Act 94-673 with respect to the amount of the payments required
23 to be made under this subsection by an owners licensee to the
24 Board.

25 (b) Until January 1, 1998, 25% of the tax revenue deposited
26 in the State Gaming Fund under this Section shall be paid,

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

17 (c) Appropriations, as approved by the General Assembly,
18 may be made from the State Gaming Fund to the Board and the
19 Office ~~Department of Revenue and the Department of State Police~~
20 for the administration and enforcement of this Act, or to the
21 Department of Human Services for the administration of programs
22 to treat problem gambling.

23 (c-5) Before May 26, 2006 (the effective date of Public Act
24 94-804) and beginning 2 years after May 26, 2006 (the effective
25 date of Public Act 94-804), after the payments required under
26 subsections (b) and (c) have been made, an amount equal to 15%

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

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

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

25 (c-20) Each year the General Assembly shall appropriate
26 from the General Revenue Fund to the Education Assistance Fund

1 an amount equal to the amount paid to each home rule county
2 with a population of over 3,000,000 inhabitants pursuant to
3 subsection (c-15) in the prior calendar year.

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

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

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

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

1 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act.

3 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
4 94-839, eff. 6-6-06; 95-331, eff. 8-21-07.)

5 (230 ILCS 10/14.5 new)

6 Sec. 14.5. Collection of delinquent amounts. At any time
7 within 5 years after any amount of fees, interest, penalties,
8 or tax required to be collected pursuant to the provisions of
9 this Act shall become due and payable, the Office of Gaming
10 Enforcement may bring a civil action in the courts of this
11 State or any other state or of the United States, in the name
12 of the State of Illinois, to collect the amount delinquent,
13 together with penalties and interest. An action may be brought
14 whether or not the person owing the amount is at such time an
15 applicant or licensee under this Act. In all actions in this
16 State, the records of the Board and the Office shall be prima
17 facie evidence of the determination of the fee or tax or the
18 amount of the delinquency.

19 (230 ILCS 10/17) (from Ch. 120, par. 2417)

20 Sec. 17. Administrative Procedures. The Illinois
21 Administrative Procedure Act shall apply to all administrative
22 rules and procedures of the Board and the Office of Gaming
23 Enforcement under this Act, except that: (1) subsection (b) of
24 Section 5-10 of the Illinois Administrative Procedure Act does

1 not apply to final orders, decisions and opinions of the Board;
2 (2) subsection (a) of Section 5-10 of the Illinois
3 Administrative Procedure Act does not apply to forms
4 established by the Board for use under this Act; (3) the
5 provisions of Section 10-45 of the Illinois Administrative
6 Procedure Act regarding proposals for decision are excluded
7 under this Act; and (4) the provisions of subsection (d) of
8 Section 10-65 of the Illinois Administrative Procedure Act do
9 not apply so as to prevent summary suspension of any license
10 pending revocation or other action, which suspension shall
11 remain in effect unless modified by the Board or unless the
12 Board's decision is reversed on the merits upon judicial
13 review.

14 (Source: P.A. 88-45; 89-626, eff. 8-9-96.)

15 Section 1-110. The Illinois Vehicle Code is amended by
16 changing Section 2-104 as follows:

17 (625 ILCS 5/2-104) (from Ch. 95 1/2, par. 2-104)

18 Sec. 2-104. Powers and duties of the Secretary of State.

19 (a) The administration of Chapters 2, 3, 4, 5, 6, 7, 8 and 9 of
20 this Act is vested in the Secretary of State, who is charged
21 with the duty of observing, administering and enforcing the
22 provisions of this Act.

23 (b) The Secretary may from time to time make, amend, and
24 rescind such rules and regulations as may be necessary in the

1 public interest to carry out the provisions of this Act,
2 including rules and regulations governing procedures for the
3 filing of applications and the issuance of licenses or
4 registrations thereunder. The rules and regulations adopted by
5 the Secretary of State under this Act shall be effective in the
6 manner provided for in "The Illinois Administrative Procedure
7 Act", approved September 22, 1975, as amended.

8 (c) Subject to appropriation, the Secretary is authorized
9 to make grants or otherwise provide assistance to (i) units of
10 local government, school districts, educational institutions,
11 and not-for-profit organizations for transportation to and
12 from after school and weekend programs and (ii) units of local
13 government for transportation infrastructure.

14 (Source: P.A. 83-333.)

15 Article 5

16 Section 5-1. Short title. This Article may be cited as the
17 Capital Workforce Development Law.

18 Section 5-5. Purpose. The purpose of this Article is to
19 promote the State's interest in the creation and maintenance of
20 a diverse workforce, particularly in the skilled trades of the
21 construction industry. To this end, it is the intent of this
22 Article that every project that receives grants from the
23 Capital Workforce Development Fund shall hire and retain

1 minority, women, and low-income employees in every building
2 trade and every skill level within each trade, from first-year
3 apprentice through journey-level status, as set forth in this
4 Article.

5 Section 5-10. Definitions.

6 "Agreement" means one or more legally enforceable
7 contracts executed by and between an agency and a contracting
8 party for the provision of services related to a project.

9 "Board" means the Capital Workforce Development Oversight
10 Board created in Section 5-25.

11 "Community Benefits Agreement" means a legally enforceable
12 contract that is negotiated and executed by and between (i) one
13 or more contracting parties, labor organizations, job training
14 providers, and community-based organizations, and (ii) each
15 community college district whose territory overlaps in whole or
16 in part or lies within 5 miles of the boundary lines of a
17 proposed or existing project site, and, at a minimum, contains
18 provisions establishing employment goals, apprenticeship
19 requirements, plans for recruiting and retaining a diverse
20 workforce, and any information relevant to the use of capital
21 workforce development grants under Section 5-20.

22 "Contracting party" means any individual, corporation,
23 partnership, company, trust, association, joint venture, pool,
24 syndicate, sole proprietorship, unincorporated association,
25 body politic, authority, or any other entity that enters into

1 an agreement for a project.

2 "Department" means the Illinois Department of
3 Transportation.

4 "Employee" means an individual who performs a service or
5 function for consideration or who renders any other standard of
6 service generally accepted by industry custom and practice as
7 work for consideration.

8 "Employment goal" means the percentage of labor hours to be
9 performed by minority, women, and low-income employees on a
10 project.

11 "Federal poverty income guidelines" means the poverty
12 guidelines updated periodically in the Federal Register by the
13 United States Department of Health and Human Services under
14 authority of 42 U.S.C. 9902(2).

15 "Labor organization" is given the meaning ascribed to it in
16 the Illinois Public Labor Relations Act.

17 "Low-income community" means a census tract in which more
18 than 50% of households have annual family incomes of not more
19 than 200% of the federal poverty income guidelines.

20 "Low-income employee" means an employee on a project who
21 resides in a low-income community and has a family income of
22 not more than 200% of the federal poverty income guidelines.

23 "Minority" means a person who is a citizen or lawful
24 permanent resident of the United States and who is:

25 (1) African American, meaning a person whose origins
26 are in any of the Black racial groups of Africa, and who

1 has historically and consistently identified himself or
2 herself as being such a person;

3 (2) Hispanic American or Latino American, meaning a
4 person whose origins are in Mexico, Central or South
5 America, or any of the Spanish speaking islands of the
6 Caribbean (for example Cuba and Puerto Rico), regardless of
7 race, and who has historically and consistently identified
8 himself or herself as being such a person;

9 (3) Asian or Pacific Islander American, meaning a
10 person whose origins are in any of the original peoples of
11 the Far East, Southeast Asia, the islands of the Pacific or
12 the Northern Marianas, or the Indian Subcontinent, and who
13 has historically and consistently identified himself or
14 herself as being such a person; or

15 (4) Native American, meaning a person having origins in
16 any of the original peoples of North America, and who
17 maintain tribal affiliation or demonstrate at least
18 one-quarter descent from such groups, and who has
19 historically and consistently identified himself or
20 herself as being such a person.

21 "Project" means any construction, reconstruction,
22 improvement, rehabilitation, or resurfacing project that is
23 funded in whole or in part with moneys from the GROW Illinois
24 Fund.

25 "Secretary" means the Secretary of the Department.

1 Section 5-20. Capital Workforce Development Grants
2 Program.

3 (a) Starting in State fiscal year 2009, all moneys in the
4 Capital Workforce Development Fund, held solely for the benefit
5 of eligible contracting parties, shall be appropriated to the
6 Department to make capital workforce development grants to
7 eligible contracting parties. No less than two-thirds of the
8 funds may be used for grants and other payments for training
9 and non-profit support services, and no more than one-third of
10 the funds may be used for wage subsidies and retention
11 incentives. The Secretary may provide a capital workforce
12 development grant to a contracting party, upon application to
13 the Secretary on such terms as the Secretary may establish,
14 provided that the Board certifies that the contracting party
15 has entered into a Community Benefits Agreement that contains a
16 30% employment goal and that otherwise complies with the
17 provisions of this Article. No grant shall be made under this
18 Section unless the Board expressly approves the grant pursuant
19 to Section 5-25. The Board shall not approve the grant if the
20 Community Benefits Agreement does not contain the signatures of
21 the representatives of the community college districts
22 described in Section 5-10. Contracting parties are eligible for
23 grants under this Section 5-20 regardless of the value of the
24 project. For purposes of this Section, a "30% employment goal"
25 means that at least 30% of the total labor hours on the project
26 are to be performed by minority, women, and low-income

1 employees.

2 (b) Allowable uses of the capital workforce development
3 grants include but are not limited to:

4 (1) Pre-employment services.

5 (2) Pre-apprenticeship training.

6 (3) Apprenticeship training.

7 (4) Skills training.

8 (5) Wage subsidies.

9 (6) Wage stipends.

10 (7) Retention incentives.

11 (8) Support services such as child care and
12 transportation services to and from the worksite.

13 Section 5-25. Capital Workforce Development Oversight
14 Board.

15 (a) There is created the Capital Workforce Development
16 Oversight Board in the Department.

17 (b) The Board shall consist of the following members:

18 (1) The Secretary or his or her designee.

19 (2) The Director of Labor or his or her designee.

20 (3) The Director of Commerce and Economic Opportunity
21 or his or her designee.

22 (4) The Director of the Illinois Community College
23 Board or his or her designee.

24 (c) The following members shall be appointed by the
25 Governor with the advice and consent of the Senate:

1 (1) A representative of a non-profit organization that
2 has demonstrated expertise in providing services to women,
3 knowledge of the building trades industries, and expertise
4 in preparing workers for employment in the building trades.

5 (2) A representative of a non-profit organization that
6 has demonstrated expertise in providing services to
7 minority groups that are underrepresented in skilled
8 occupations in the building trades industries; knowledge
9 of the building trades industries; and expertise in
10 preparing workers for employment in the building trades.

11 (3) A representative of a non-profit organization that
12 has demonstrated expertise in providing services to
13 low-income and chronically unemployed individuals;
14 knowledge of the building trades industries; and expertise
15 in preparing workers for employment in the building trades.

16 (4) A representative of a labor organization whose
17 members work in the building trades, or a representative of
18 an organization who represents multiple union interests in
19 the building trades.

20 (5) A state contractor.

21 (6) A representative of a congregation-based community
22 organization from outside of the Chicago metropolitan area
23 who has experience in negotiating and executing community
24 benefits agreements.

25 (7) A representative of a congregation-based community
26 organization from the Chicago metropolitan area who has

1 experience in negotiating and executing community benefits
2 agreements.

3 Of the initial appointments by the Governor under this
4 subsection, members shall serve staggered terms determined by
5 lot. Two members shall be appointed for a term of one year, 2
6 members shall be appointed for a term of 2 years, and 3 members
7 shall be appointed for a term of 3 years. Upon the expiration
8 of each member's term, a successor shall be appointed for a
9 term of 3 years. Vacancies on the Board shall be filled in the
10 same manner as original appointments, and any members so
11 appointed shall serve during the remainder of the term for
12 which the vacancy occurred.

13 The appointments shall be made within 90 days after the
14 effective date of this Article.

15 (d) Six members shall constitute a quorum.

16 The Board shall elect a Chairperson from amongst its
17 members by simple majority vote.

18 Members shall serve without compensation but may be
19 reimbursed for expenses incurred in the performance of their
20 duties under this Article.

21 (e) The Board shall be funded through specific
22 appropriations made to the Department for its purposes. The
23 Department shall provide administrative support to the Board.

24 (f) Accurate minutes shall be kept of all meetings of the
25 Board.

26 (g) The Board shall be called at the discretion of the

1 Chair or any 4 members of the Board.

2 (h) The Board shall have the following powers and perform
3 the following duties:

4 (1) Approve all capital workforce development grants.

5 (2) Monitor the effectiveness of the Capital Workforce
6 Development Grants Program.

7 (3) Certify that the Community Benefits Agreement for a
8 project contains a 30% employment goal and otherwise
9 complies with the provisions of this Article prior to the
10 approval of a capital workforce development grant.

11 ARTICLE 999

12 Section 999-5. Severability. The provisions of this Act are
13 severable under Section 1.31 of the Statute on Statutes.

14 Section 999-99. Effective date. This Act takes effect upon
15 becoming law, except that Sections 1-5 and 1-100 take effect
16 January 1, 2009."