

# HB4178



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

**HB4178**

Introduced 10/28/2025, by Rep. Robert "Bob" Rita

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Illinois Gambling Act. Provides that each licensee shall make a reconciliation payment 3 years after the date the licensee begins operating in an amount equal to 75% of the adjusted gross receipts for the most lucrative consecutive 12-month period of operations, minus an amount equal to (i) the initial payment per gaming position paid by the specific licensee and (ii) the \$15,000,000 reconciliation fee.

LRB104 15891 LNS 29117 b

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Illinois Gambling Act is amended by  
5 changing Section 7 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners licenses.

8 (a) The Board shall issue owners licenses to persons or  
9 entities that apply for such licenses upon payment to the  
10 Board of the non-refundable license fee as provided in  
11 subsection (e) or (e-5) and upon a determination by the Board  
12 that the applicant is eligible for an owners license pursuant  
13 to this Act and the rules of the Board. From December 15, 2008  
14 (the effective date of Public Act 95-1008) until (i) 3 years  
15 after December 15, 2008 (the effective date of Public Act  
16 95-1008), (ii) the date any organization licensee begins to  
17 operate a slot machine or video game of chance under the  
18 Illinois Horse Racing Act of 1975 or this Act, (iii) the date  
19 that payments begin under subsection (c-5) of Section 13 of  
20 this Act, (iv) the wagering tax imposed under Section 13 of  
21 this Act is increased by law to reflect a tax rate that is at  
22 least as stringent or more stringent than the tax rate  
23 contained in subsection (a-3) of Section 13, or (v) when an

1 owners licensee holding a license issued pursuant to Section  
2 7.1 of this Act begins conducting gaming, whichever occurs  
3 first, as a condition of licensure and as an alternative  
4 source of payment for those funds payable under subsection  
5 (c-5) of Section 13 of this Act, any owners licensee that holds  
6 or receives its owners license on or after May 26, 2006 (the  
7 effective date of Public Act 94-804), other than an owners  
8 licensee operating a riverboat with adjusted gross receipts in  
9 calendar year 2004 of less than \$200,000,000, must pay into  
10 the Horse Racing Equity Trust Fund, in addition to any other  
11 payments required under this Act, an amount equal to 3% of the  
12 adjusted gross receipts received by the owners licensee. The  
13 payments required under this Section shall be made by the  
14 owners licensee to the State Treasurer no later than 3:00  
15 ~~o'clock~~ p.m. of the day after the day when the adjusted gross  
16 receipts were received by the owners licensee. A person or  
17 entity is ineligible to receive an owners license if:

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

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

25 (3) the person has submitted an application for a  
26 license under this Act which contains false information;

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

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

4 (6) the entity employs a person defined in (1), (2),  
5 (3), or (4) who participates in the management or  
6 operation of gambling operations authorized under this  
7 Act;

8 (7) (blank); or

9 (8) a license of the person or entity issued under  
10 this Act, or a license to own or operate gambling  
11 facilities in any other jurisdiction, has been revoked.

12 The Board is expressly prohibited from making changes to  
13 the requirement that licensees make payment into the Horse  
14 Racing Equity Trust Fund without the express authority of the  
15 Illinois General Assembly and making any other rule to  
16 implement or interpret Public Act 95-1008. For the purposes of  
17 this paragraph, "rules" is given the meaning given to that  
18 term in Section 1-70 of the Illinois Administrative Procedure  
19 Act.

20 (b) In determining whether to grant an owners license to  
21 an applicant, the Board shall consider:

22 (1) the character, reputation, experience, and  
23 financial integrity of the applicants and of any other or  
24 separate person that either:

25 (A) controls, directly or indirectly, such  
26 applicant; or

1           (B) is controlled, directly or indirectly, by such  
2           applicant or by a person which controls, directly or  
3           indirectly, such applicant;

4           (2) the facilities or proposed facilities for the  
5           conduct of gambling;

6           (3) the highest prospective total revenue to be  
7           derived by the State from the conduct of gambling;

8           (4) the extent to which the ownership of the applicant  
9           reflects the diversity of the State by including minority  
10          persons, women, and persons with a disability and the good  
11          faith affirmative action plan of each applicant to  
12          recruit, train, and upgrade minority persons, women, and  
13          persons with a disability in all employment  
14          classifications; the Board shall further consider granting  
15          an owners license and giving preference to an applicant  
16          under this Section to applicants in which minority persons  
17          and women hold ownership interest of at least 16% and 4%,  
18          respectively;

19          (4.5) the extent to which the ownership of the  
20          applicant includes veterans of service in the armed forces  
21          of the United States, and the good faith affirmative  
22          action plan of each applicant to recruit, train, and  
23          upgrade veterans of service in the armed forces of the  
24          United States in all employment classifications;

25          (5) the financial ability of the applicant to purchase  
26          and maintain adequate liability and casualty insurance;

1           (6) whether the applicant has adequate capitalization  
2           to provide and maintain, for the duration of a license, a  
3           riverboat or casino;

4           (7) the extent to which the applicant exceeds or meets  
5           other standards for the issuance of an owners license  
6           which the Board may adopt by rule;

7           (8) the amount of the applicant's license bid;

8           (9) the extent to which the applicant or the proposed  
9           host municipality plans to enter into revenue sharing  
10          agreements with communities other than the host  
11          municipality;

12          (10) the extent to which the ownership of an applicant  
13          includes the most qualified number of minority persons,  
14          women, and persons with a disability; and

15          (11) whether the applicant has entered into a fully  
16          executed construction project labor agreement with the  
17          applicable local building trades council.

18          (c) Each owners license shall specify the place where the  
19          casino shall operate or the riverboat shall operate and dock.

20          (d) Each applicant shall submit with his or her  
21          application, on forms provided by the Board, 2 sets of his or  
22          her fingerprints.

23          (e) In addition to any licenses authorized under  
24          subsection (e-5) of this Section, the Board may issue up to 10  
25          licenses authorizing the holders of such licenses to own  
26          riverboats. In the application for an owners license, the

1 applicant shall state the dock at which the riverboat is based  
2 and the water on which the riverboat will be located. The Board  
3 shall issue 5 licenses to become effective not earlier than  
4 January 1, 1991. Three of such licenses shall authorize  
5 riverboat gambling on the Mississippi River, or, with approval  
6 by the municipality in which the riverboat was docked on  
7 August 7, 2003 and with Board approval, be authorized to  
8 relocate to a new location, in a municipality that (1) borders  
9 on the Mississippi River or is within 5 miles of the city  
10 limits of a municipality that borders on the Mississippi River  
11 and (2) on August 7, 2003, had a riverboat conducting  
12 riverboat gambling operations pursuant to a license issued  
13 under this Act; one of which shall authorize riverboat  
14 gambling from a home dock in the city of East St. Louis; and  
15 one of which shall authorize riverboat gambling from a home  
16 dock in the City of Alton. One other license shall authorize  
17 riverboat gambling on the Illinois River in the City of East  
18 Peoria or, with Board approval, shall authorize land-based  
19 gambling operations anywhere within the corporate limits of  
20 the City of Peoria. The Board shall issue one additional  
21 license to become effective not earlier than March 1, 1992,  
22 which shall authorize riverboat gambling on the Des Plaines  
23 River in Will County. The Board may issue 4 additional  
24 licenses to become effective not earlier than March 1, 1992.  
25 In determining the water upon which riverboats will operate,  
26 the Board shall consider the economic benefit which riverboat

1 gambling confers on the State~~7~~ and shall seek to ensure ~~assure~~  
2 that all regions of the State share in the economic benefits of  
3 riverboat gambling.

4 In granting all licenses, the Board may give favorable  
5 consideration to economically depressed areas of the State, to  
6 applicants presenting plans which provide for significant  
7 economic development over a large geographic area, and to  
8 applicants who currently operate non-gambling riverboats in  
9 Illinois. The Board shall review all applications for owners  
10 licenses~~7~~ and shall inform each applicant of the Board's  
11 decision. The Board may grant an owners license to an  
12 applicant that has not submitted the highest license bid, but  
13 if it does not select the highest bidder, the Board shall issue  
14 a written decision explaining why another applicant was  
15 selected and identifying the factors set forth in this Section  
16 that favored the winning bidder. The fee for issuance or  
17 renewal of a license pursuant to this subsection (e) shall be  
18 \$250,000.

19 (e-5) In addition to licenses authorized under subsection  
20 (e) of this Section:

21 (1) the Board may issue one owners license authorizing  
22 the conduct of casino gambling in the City of Chicago;

23 (2) the Board may issue one owners license authorizing  
24 the conduct of riverboat gambling in the City of Danville;

25 (3) the Board may issue one owners license authorizing  
26 the conduct of riverboat gambling in the City of Waukegan;

1           (4) the Board may issue one owners license authorizing  
2           the conduct of riverboat gambling in the City of Rockford;

3           (5) the Board may issue one owners license authorizing  
4           the conduct of riverboat gambling in a municipality that  
5           is wholly or partially located in one of the following  
6           townships of Cook County: Bloom, Bremen, Calumet, Rich,  
7           Thornton, or Worth Township; and

8           (6) the Board may issue one owners license authorizing  
9           the conduct of riverboat gambling in the unincorporated  
10          area of Williamson County adjacent to the Big Muddy River.

11          Except for the license authorized under paragraph (1),  
12          each application for a license pursuant to this subsection  
13          (e-5) shall be submitted to the Board no later than 120 days  
14          after June 28, 2019 (the effective date of Public Act 101-31).  
15          All applications for a license under this subsection (e-5)  
16          shall include the nonrefundable application fee and the  
17          nonrefundable background investigation fee as provided in  
18          subsection (d) of Section 6 of this Act. In the event that an  
19          applicant submits an application for a license pursuant to  
20          this subsection (e-5) prior to June 28, 2019 (the effective  
21          date of Public Act 101-31), such applicant shall submit the  
22          nonrefundable application fee and background investigation fee  
23          as provided in subsection (d) of Section 6 of this Act no later  
24          than 6 months after June 28, 2019 (the effective date of Public  
25          Act 101-31).

26          The Board shall consider issuing a license pursuant to

1 paragraphs (1) through (6) of this subsection only after the  
2 corporate authority of the municipality or the county board of  
3 the county in which the riverboat or casino shall be located  
4 has certified to the Board the following:

5 (i) that the applicant has negotiated with the  
6 corporate authority or county board in good faith;

7 (ii) that the applicant and the corporate authority or  
8 county board have mutually agreed on the permanent  
9 location of the riverboat or casino;

10 (iii) that the applicant and the corporate authority  
11 or county board have mutually agreed on the temporary  
12 location of the riverboat or casino;

13 (iv) that the applicant and the corporate authority or  
14 the county board have mutually agreed on the percentage of  
15 revenues that will be shared with the municipality or  
16 county, if any;

17 (v) that the applicant and the corporate authority or  
18 county board have mutually agreed on any zoning,  
19 licensing, public health, or other issues that are within  
20 the jurisdiction of the municipality or county;

21 (vi) that the corporate authority or county board has  
22 passed a resolution or ordinance in support of the  
23 riverboat or casino in the municipality or county;

24 (vii) that the applicant for a license under paragraph  
25 (1) has made a public presentation concerning its casino  
26 proposal; and

1           (viii) that the applicant for a license under  
2           paragraph (1) has prepared a summary of its casino  
3           proposal and such summary has been posted on a public  
4           website of the municipality or the county.

5           At least 7 days before the corporate authority of a  
6           municipality or county board of the county submits a  
7           certification to the Board concerning items (i) through (viii)  
8           of this subsection, it shall hold a public hearing to discuss  
9           items (i) through (viii), as well as any other details  
10          concerning the proposed riverboat or casino in the  
11          municipality or county. The corporate authority or county  
12          board must subsequently memorialize the details concerning the  
13          proposed riverboat or casino in a resolution that must be  
14          adopted by a majority of the corporate authority or county  
15          board before any certification is sent to the Board. The Board  
16          shall not alter, amend, change, or otherwise interfere with  
17          any agreement between the applicant and the corporate  
18          authority of the municipality or county board of the county  
19          regarding the location of any temporary or permanent facility.

20          In addition, within 10 days after June 28, 2019 (the  
21          effective date of Public Act 101-31), the Board, with consent  
22          and at the expense of the City of Chicago, shall select and  
23          retain the services of a nationally recognized casino gaming  
24          feasibility consultant. Within 45 days after June 28, 2019  
25          (the effective date of Public Act 101-31), the consultant  
26          shall prepare and deliver to the Board a study concerning the

1 feasibility of, and the ability to finance, a casino in the  
2 City of Chicago. The feasibility study shall be delivered to  
3 the Mayor of the City of Chicago, the Governor, the President  
4 of the Senate, and the Speaker of the House of  
5 Representatives. Ninety days after receipt of the feasibility  
6 study, the Board shall make a determination, based on the  
7 results of the feasibility study, whether to recommend to the  
8 General Assembly that the terms of the license under paragraph  
9 (1) of this subsection (e-5) should be modified. The Board may  
10 begin accepting applications for the owners license under  
11 paragraph (1) of this subsection (e-5) upon the determination  
12 to issue such an owners license.

13 In addition, prior to the Board issuing the owners license  
14 authorized under paragraph (4) of this subsection (e-5), an  
15 impact study shall be completed to determine what location in  
16 the city will provide the greater impact to the region,  
17 including the creation of jobs and the generation of tax  
18 revenue.

19 (e-10) The licenses authorized under subsection (e-5) of  
20 this Section shall be issued within 12 months after the date  
21 the license application is submitted. If the Board does not  
22 issue the licenses within that time period, then the Board  
23 shall give a written explanation to the applicant as to why it  
24 has not reached a determination and when it reasonably expects  
25 to make a determination. The fee for the issuance or renewal of  
26 a license issued pursuant to this subsection (e-10) shall be

1 \$250,000. Additionally, a licensee located outside of Cook  
2 County shall pay a minimum initial fee of \$17,500 per gaming  
3 position, and a licensee located in Cook County shall pay a  
4 minimum initial fee of \$30,000 per gaming position. The  
5 initial fees payable under this subsection (e-10) shall be  
6 deposited into the Rebuild Illinois Projects Fund. If at any  
7 point after June 1, 2020 there are no pending applications for  
8 a license under subsection (e-5) and not all licenses  
9 authorized under subsection (e-5) have been issued, then the  
10 Board shall reopen the license application process for those  
11 licenses authorized under subsection (e-5) that have not been  
12 issued. The Board shall follow the licensing process provided  
13 in subsection (e-5) with all time frames tied to the last date  
14 of a final order issued by the Board under subsection (e-5)  
15 rather than the effective date of the amendatory Act.

16 (e-15) Each licensee of a license authorized under  
17 subsection (e-5) of this Section shall pay a \$15,000,000  
18 reconciliation fee upon issuance of an owners license. Each  
19 licensee authorized under subsection (e-5) shall make a  
20 reconciliation payment 3 years after the date the licensee  
21 begins operating in an amount equal to 75% of the adjusted  
22 gross receipts for the most lucrative consecutive 12-month  
23 period of operations, minus an amount equal to (i) the initial  
24 payment per gaming position paid by the specific licensee and  
25 (ii) the \$15,000,000 reconciliation fee. Each licensee shall  
26 pay a \$15,000,000 reconciliation fee upon issuance of an

1 ~~owners license.~~ If this calculation results in a negative  
2 amount, then the licensee is not entitled to any reimbursement  
3 of fees previously paid. This reconciliation payment may be  
4 made in installments over a period of no more than 6 years.

5 All payments by licensees under this subsection (e-15)  
6 shall be deposited into the Rebuild Illinois Projects Fund.

7 (e-20) In addition to any other revocation powers granted  
8 to the Board under this Act, the Board may revoke the owners  
9 license of a licensee which fails to begin conducting gambling  
10 within 15 months of receipt of the Board's approval of the  
11 application if the Board determines that license revocation is  
12 in the best interests of the State.

13 (f) The first 10 owners licenses issued under this Act  
14 shall permit the holder to own up to 2 riverboats and equipment  
15 thereon for a period of 3 years after the effective date of the  
16 license. Holders of the first 10 owners licenses must pay the  
17 annual license fee for each of the 3 years during which they  
18 are authorized to own riverboats.

19 (g) Upon the termination, expiration, or revocation of  
20 each of the first 10 licenses, which shall be issued for a  
21 3-year period, all licenses are renewable annually upon  
22 payment of the fee and a determination by the Board that the  
23 licensee continues to meet all of the requirements of this Act  
24 and the Board's rules. However, for licenses renewed on or  
25 after June 10, 2021 (the effective date of Public Act 102-13)  
26 ~~this amendatory Act of the 102nd General Assembly,~~ renewal

1 shall be for a period of 4 years.

2 (h) An owners license, except for an owners license issued  
3 under subsection (e-5) of this Section, shall entitle the  
4 licensee to own up to 2 riverboats.

5 An owners licensee of a casino or riverboat that is  
6 located in the City of Chicago pursuant to paragraph (1) of  
7 subsection (e-5) of this Section shall limit the number of  
8 gaming positions to 4,000 for such owner. An owners licensee  
9 authorized under subsection (e) or paragraph (2), (3), (4), or  
10 (5) of subsection (e-5) of this Section shall limit the number  
11 of gaming positions to 2,000 for any such owners license. An  
12 owners licensee authorized under paragraph (6) of subsection  
13 (e-5) of this Section shall limit the number of gaming  
14 positions to 1,200 for such owner. The initial fee for each  
15 gaming position obtained on or after June 28, 2019 (the  
16 effective date of Public Act 101-31) shall be a minimum of  
17 \$17,500 for licensees not located in Cook County and a minimum  
18 of \$30,000 for licensees located in Cook County, in addition  
19 to the reconciliation payment, as set forth in subsection  
20 (e-15) of this Section. The fees under this subsection (h)  
21 shall be deposited into the Rebuild Illinois Projects Fund.  
22 The fees under this subsection (h) that are paid by an owners  
23 licensee authorized under subsection (e) shall be paid by July  
24 1, 2021.

25 Each owners licensee under subsection (e) of this Section  
26 shall reserve its gaming positions within 30 days after June

1 28, 2019 (the effective date of Public Act 101-31). The Board  
2 may grant an extension to this 30-day period, provided that  
3 the owners licensee submits a written request and explanation  
4 as to why it is unable to reserve its positions within the  
5 30-day period.

6 Each owners licensee under subsection (e-5) of this  
7 Section shall reserve its gaming positions within 30 days  
8 after issuance of its owners license. The Board may grant an  
9 extension to this 30-day period, provided that the owners  
10 licensee submits a written request and explanation as to why  
11 it is unable to reserve its positions within the 30-day  
12 period.

13 A licensee may operate both of its riverboats  
14 concurrently, provided that the total number of gaming  
15 positions on both riverboats does not exceed the limit  
16 established pursuant to this subsection. Riverboats licensed  
17 to operate on the Mississippi River and the Illinois River  
18 south of Marshall County shall have an authorized capacity of  
19 at least 500 persons. Any other riverboat licensed under this  
20 Act shall have an authorized capacity of at least 400 persons.

21 (h-5) An owners licensee who conducted gambling operations  
22 prior to January 1, 2012 and obtains positions pursuant to  
23 Public Act 101-31 shall make a reconciliation payment 3 years  
24 after any additional gaming positions begin operating in an  
25 amount equal to 75% of the owners licensee's average gross  
26 receipts for the most lucrative 12-month period of operations

1 minus an amount equal to the initial fee that the owners  
2 licensee paid per additional gaming position. For purposes of  
3 this subsection (h-5), "average gross receipts" means (i) the  
4 increase in adjusted gross receipts for the most lucrative  
5 12-month period of operations over the adjusted gross receipts  
6 for 2019, multiplied by (ii) the percentage derived by  
7 dividing the number of additional gaming positions that an  
8 owners licensee had obtained by the total number of gaming  
9 positions operated by the owners licensee. If this calculation  
10 results in a negative amount, then the owners licensee is not  
11 entitled to any reimbursement of fees previously paid. This  
12 reconciliation payment may be made in installments over a  
13 period of no more than 6 years. These reconciliation payments  
14 shall be deposited into the Rebuild Illinois Projects Fund.

15 (i) A licensed owner is authorized to apply to the Board  
16 for and, if approved therefor, to receive all licenses from  
17 the Board necessary for the operation of a riverboat or  
18 casino, including a liquor license, a license to prepare and  
19 serve food for human consumption, and other necessary  
20 licenses. All use, occupation, and excise taxes which apply to  
21 the sale of food and beverages in this State and all taxes  
22 imposed on the sale or use of tangible personal property apply  
23 to such sales aboard the riverboat or in the casino.

24 (j) The Board may issue or re-issue a license authorizing  
25 a riverboat to dock in a municipality or approve a relocation  
26 under Section 11.2 only if, prior to the issuance or

1 re-issuance of the license or approval, the governing body of  
2 the municipality in which the riverboat will dock has by a  
3 majority vote approved the docking of riverboats in the  
4 municipality. The Board may issue or re-issue a license  
5 authorizing a riverboat to dock in areas of a county outside  
6 any municipality or approve a relocation under Section 11.2  
7 only if, prior to the issuance or re-issuance of the license or  
8 approval, the governing body of the county has by a majority  
9 vote approved of the docking of riverboats within such areas.

10 (k) An owners licensee may conduct land-based gambling  
11 operations upon approval by the Board and payment of a fee of  
12 \$250,000, which shall be deposited into the State Gaming Fund.

13 (l) An owners licensee may conduct gaming at a temporary  
14 facility pending the construction of a permanent facility or  
15 the remodeling or relocation of an existing facility to  
16 accommodate gaming participants for up to 24 months after the  
17 temporary facility begins to conduct gaming. Upon request by  
18 an owners licensee and upon a showing of good cause by the  
19 owners licensee: (i) for a licensee authorized under paragraph  
20 (3) of subsection (e-5), the Board shall extend the period  
21 during which the licensee may conduct gaming at a temporary  
22 facility by up to 30 months; and (ii) for all other licensees,  
23 the Board shall extend the period during which the licensee  
24 may conduct gaming at a temporary facility by up to 12 months.  
25 The Board shall make rules concerning the conduct of gaming  
26 from temporary facilities.

1 (Source: P.A. 102-13, eff. 6-10-21; 102-558, eff. 8-20-21;  
2 103-574, eff. 12-8-23; revised 6-26-25.)