



Sen. Michael E. Hastings

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LRB104 06808 BAB 35906 a

1 AMENDMENT TO SENATE BILL 553

2 AMENDMENT NO. _____. Amend Senate Bill 553 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Prediction Markets Regulation and Taxation Act.

6 Section 5. Findings; legislative intent.

7 (a) The General Assembly finds that:

8 (1) Prediction markets, when limited to nonsports
9 events, serve a legitimate informational and hedging
10 function by aggregating dispersed knowledge about future
11 uncertain outcomes, contributing to more accurate public
12 forecasting and risk management.

13 (2) Such markets constitute a justified form of
14 gambling activity under State authority when properly
15 regulated to protect consumers, ensure integrity, prevent
16 fraud, and generate revenue for public purposes.

1 (3) Traditional sports wagering and casino gaming,
2 including, but not limited to, slot machines, table games,
3 and video gaming, are already comprehensively regulated
4 and taxed under the Illinois Gambling Act, the Sports
5 Wagering Act, and related statutes and shall remain
6 subject to those exclusive frameworks.

7 (4) To protect the integrity of existing licensed
8 gaming industries and prevent market overlap or evasion,
9 sports event contracts and casino-style games shall be
10 expressly excluded from this Act.

11 (b) It is the intent of the General Assembly to regulate
12 qualifying prediction markets separately, impose appropriate
13 consumer protections, and tax such activity at a rate that
14 reflects its economic and revenue potential while ensuring
15 competitiveness.

16 Section 10. Definitions. In this Act:

17 "Adjusted gross receipts" means the total of all amounts
18 received from qualifying prediction market contracts less
19 payouts to participants, platform fees not attributable to
20 gambling outcomes, and any other deductions authorized by the
21 Board, consistent with definitions in the Sports Wagering Act.

22 "Board" means the Illinois Gaming Board.

23 "Platform operator" means any person or entity operating a
24 prediction market that offers qualifying prediction market
25 contracts to persons located in Illinois.

1 "Prediction market" means a platform or exchange where
2 participants trade contracts whose value is derived from the
3 outcome of future events, excluding any sports event
4 contracts.

5 "Qualifying prediction market contract" means a binary or
6 multi-outcome contract traded on a prediction market platform
7 where the payoff depends on the resolution of a nonsports
8 event, including, but not limited to, political elections,
9 economic indicators, regulatory decisions, weather phenomena,
10 award ceremonies, entertainment events, or other verifiable
11 real-world outcomes, as determined by the Board.

12 "Sports event contract" means a contract based on the
13 outcome of athletic contests, sporting events, or any portion
14 thereof.

15 Section 15. Regulation and licensing.

16 (a) No person shall operate a prediction market offering
17 qualifying prediction market contracts to Illinois residents
18 without first obtaining a master prediction market license
19 from the Board. A platform operator shall pay an initial
20 master prediction market license fee of \$1,000,000 to the
21 Board before the license is issued, and the initial master
22 prediction market license shall be valid for a period of 12
23 months. The master prediction market license is renewable
24 annually upon payment of a \$1,000,000 renewal fee and a
25 determination of the Board that the licensee meets the

1 requirements of this Act and the Board's rules.

2 (b) The Board shall adopt rules for licensing, including,
3 but not limited to:

4 (1) age restrictions for people under 21 years of age;

5 (2) geofencing to prevent access from prohibited
6 jurisdictions;

7 (3) anti-money-laundering compliance;

8 (4) responsible gambling tools;

9 (5) market integrity monitoring; and

10 (6) reporting requirements.

11 (c) This Act does not authorize or regulate sports
12 wagering as defined in the Sports Wagering Act or gambling
13 games authorized under the Illinois Gambling Act. Any platform
14 offering sports event contracts or casino games remains
15 subject to those Acts and any applicable cease and desist
16 orders or enforcement actions.

17 Section 20. Taxation.

18 (a) For the privilege of operating under this Act, the
19 State shall impose and collect a privilege tax equal to 50% of
20 a platform operator's adjusted gross receipts derived from
21 qualifying prediction market contracts placed by or with
22 Illinois residents.

23 (b) The tax shall be remitted monthly to the Board and
24 deposited into the General Revenue Fund or a dedicated fund as
25 determined by appropriation, subject to the Board's

1 administrative rules.

2 (c) No additional per-wager fees, surcharges, or graduated
3 rates as in existence under the Sports Wagering Act shall
4 apply to qualifying prediction market activity under this Act.

5 (d) Platform operators shall file monthly returns and
6 maintain records sufficient for audit, consistent with
7 procedures under the Sports Wagering Act.

8 Section 25. Enforcement and penalties.

9 (a) Violation of this Act, including unlicensed operation
10 or offering excluded sports event contracts, shall constitute
11 unlicensed gambling under Section 28-1 of the Criminal Code of
12 2012 and may result in cease and desist orders, civil
13 penalties, license revocation, or referral for criminal
14 prosecution.

15 (b) The Board shall have rulemaking authority to implement
16 this Act, including defining excludable events and resolving
17 jurisdictional overlaps.

18 Section 30. The Criminal Code of 2012 is amended by
19 changing Section 28-1 as follows:

20 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

21 Sec. 28-1. Gambling.

22 (a) A person commits gambling when he or she:

23 (1) knowingly plays a game of chance or skill for

1 money or other thing of value, unless excepted in
2 subsection (b) of this Section;

3 (2) knowingly makes a wager upon the result of any
4 game, contest, or any political nomination, appointment or
5 election;

6 (3) knowingly operates, keeps, owns, uses, purchases,
7 exhibits, rents, sells, bargains for the sale or lease of,
8 manufactures or distributes any gambling device;

9 (4) contracts to have or give himself or herself or
10 another the option to buy or sell, or contracts to buy or
11 sell, at a future time, any grain or other commodity
12 whatsoever, or any stock or security of any company, where
13 it is at the time of making such contract intended by both
14 parties thereto that the contract to buy or sell, or the
15 option, whenever exercised, or the contract resulting
16 therefrom, shall be settled, not by the receipt or
17 delivery of such property, but by the payment only of
18 differences in prices thereof; however, the issuance,
19 purchase, sale, exercise, endorsement or guarantee, by or
20 through a person registered with the Secretary of State
21 pursuant to Section 8 of the Illinois Securities Law of
22 1953, or by or through a person exempt from such
23 registration under said Section 8, of a put, call, or
24 other option to buy or sell securities which have been
25 registered with the Secretary of State or which are exempt
26 from such registration under Section 3 of the Illinois

1 Securities Law of 1953 is not gambling within the meaning
2 of this paragraph (4);

3 (5) knowingly owns or possesses any book, instrument
4 or apparatus by means of which bets or wagers have been, or
5 are, recorded or registered, or knowingly possesses any
6 money which he has received in the course of a bet or
7 wager;

8 (6) knowingly sells pools upon the result of any game
9 or contest of skill or chance, political nomination,
10 appointment or election;

11 (7) knowingly sets up or promotes any lottery or
12 sells, offers to sell or transfers any ticket or share for
13 any lottery;

14 (8) knowingly sets up or promotes any policy game or
15 sells, offers to sell or knowingly possesses or transfers
16 any policy ticket, slip, record, document or other similar
17 device;

18 (9) knowingly drafts, prints or publishes any lottery
19 ticket or share, or any policy ticket, slip, record,
20 document or similar device, except for such activity
21 related to lotteries, bingo games and raffles authorized
22 by and conducted in accordance with the laws of Illinois
23 or any other state or foreign government;

24 (10) knowingly advertises any lottery or policy game,
25 except for such activity related to lotteries, bingo games
26 and raffles authorized by and conducted in accordance with

1 the laws of Illinois or any other state;

2 (11) knowingly transmits information as to wagers,
3 betting odds, or changes in betting odds by telephone,
4 telegraph, radio, semaphore or similar means; or knowingly
5 installs or maintains equipment for the transmission or
6 receipt of such information; except that nothing in this
7 subdivision (11) prohibits transmission or receipt of such
8 information for use in news reporting of sporting events
9 or contests; ~~or~~

10 (12) knowingly establishes, maintains, or operates an
11 Internet site that permits a person to play a game of
12 chance or skill for money or other thing of value by means
13 of the Internet or to make a wager upon the result of any
14 game, contest, political nomination, appointment, or
15 election by means of the Internet. This item (12) does not
16 apply to activities referenced in items (6), (6.1), (8),
17 (8.1), and (15) of subsection (b) of this Section; or ~~-~~

18 (13) knowingly violates the Prediction Markets
19 Regulation and Taxation Act, including unlicensed
20 operation and offering excluded sports event contracts.

21 (b) Participants in any of the following activities shall
22 not be convicted of gambling:

23 (1) Agreements to compensate for loss caused by the
24 happening of chance including without limitation contracts
25 of indemnity or guaranty and life or health or accident
26 insurance.

1 (2) Offers of prizes, award or compensation to the
2 actual contestants in any bona fide contest for the
3 determination of skill, speed, strength or endurance or to
4 the owners of animals or vehicles entered in such contest.

5 (3) Pari-mutuel betting as authorized by the law of
6 this State.

7 (4) Manufacture of gambling devices, including the
8 acquisition of essential parts therefor and the assembly
9 thereof, for transportation in interstate or foreign
10 commerce to any place outside this State when such
11 transportation is not prohibited by any applicable Federal
12 law; or the manufacture, distribution, or possession of
13 video gaming terminals, as defined in the Video Gaming
14 Act, by manufacturers, distributors, and terminal
15 operators licensed to do so under the Video Gaming Act.

16 (5) The game commonly known as "bingo", when conducted
17 in accordance with the Bingo License and Tax Act.

18 (6) Lotteries when conducted by the State of Illinois
19 in accordance with the Illinois Lottery Law. This
20 exemption includes any activity conducted by the
21 Department of Revenue to sell lottery tickets pursuant to
22 the provisions of the Illinois Lottery Law and its rules.

23 (6.1) The purchase of lottery tickets through the
24 Internet for a lottery conducted by the State of Illinois
25 under the program established in Section 7.12 of the
26 Illinois Lottery Law.

1 (7) Possession of an antique slot machine that is
2 neither used nor intended to be used in the operation or
3 promotion of any unlawful gambling activity or enterprise.
4 For the purpose of this subparagraph (b)(7), an antique
5 slot machine is one manufactured 25 years ago or earlier.

6 (8) Raffles and poker runs when conducted in
7 accordance with the Raffles and Poker Runs Act.

8 (8.1) The purchase of raffle chances for a raffle
9 conducted in accordance with the Raffles and Poker Runs
10 Act.

11 (9) Charitable games when conducted in accordance with
12 the Charitable Games Act.

13 (10) Pull tabs and jar games when conducted under the
14 Illinois Pull Tabs and Jar Games Act.

15 (11) Gambling games when authorized by the Illinois
16 Gambling Act.

17 (12) Video gaming terminal games at a licensed
18 establishment, licensed truck stop establishment, licensed
19 large truck stop establishment, licensed fraternal
20 establishment, or licensed veterans establishment when
21 conducted in accordance with the Video Gaming Act.

22 (13) Games of skill or chance where money or other
23 things of value can be won but no payment or purchase is
24 required to participate.

25 (14) Savings promotion raffles authorized under
26 Section 5g of the Illinois Banking Act, Section 7008 of

1 the Savings Bank Act, Section 42.7 of the Illinois Credit
2 Union Act, Section 5136B of the National Bank Act (12
3 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12
4 U.S.C. 1463).

5 (15) Sports wagering when conducted in accordance with
6 the Sports Wagering Act.

7 (c) Sentence.

8 Gambling is a Class A misdemeanor. A second or subsequent
9 conviction under subsections (a)(3) through (a)(12), is a
10 Class 4 felony.

11 (d) Circumstantial evidence.

12 In prosecutions under this Section circumstantial evidence
13 shall have the same validity and weight as in any criminal
14 prosecution.

15 (Source: P.A. 101-31, Article 25, Section 25-915, eff.
16 6-28-19; 101-31, Article 35, Section 35-80, eff. 6-28-19;
17 101-109, eff. 7-19-19; 102-558, eff. 8-20-21.)".