## **100TH GENERAL ASSEMBLY**

# State of Illinois

# 2017 and 2018

#### HB5296

by Rep. Jay Hoffman

# SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Horse Racing Act of 1975. Extends the authorization for advance deposit wagering until December 31, 2021 (from December 31, 2018). Amends the Video Gaming Act. Allows for video gaming by licensed horse racing establishments (facilities operated by an organization licensee whose handle from wagering on Illinois races for 2016 was less than \$32,000,000 or by an inter-track wagering location licensee that derives its license from such an organization licensee); makes conforming changes throughout the Video Gaming Act and in the Criminal Code of 2012. Provides that a licensed horse racing establishment that is an organization licensee may operate up to 150 video gaming terminals at its organization licensee location at any time and a licensed horse racing establishment that is an inter-track wagering location licensee may operate up to 5 video gaming terminals at the inter-track wagering location licensee's location or on the premises of the organization licensee with which it is affiliated. The provisions amending the Illinois Horse Racing Act of 1975 are effective immediately.

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FISCAL NOTE ACT MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

# Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Horse Racing Act of 1975 is amended
by changing Sections 26, 26.8, 26.9, and 27 as follows:

6 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

7 Sec. 26. Wagering.

(a) Any licensee may conduct and supervise the pari-mutuel 8 9 system of wagering, as defined in Section 3.12 of this Act, on 10 horse races conducted by an Illinois organization licensee or conducted at a racetrack located in another state or country 11 and televised in Illinois in accordance with subsection (q) of 12 Section 26 of this Act. Subject to the prior consent of the 13 14 Board, licensees may supplement any pari-mutuel pool in order to guarantee a minimum distribution. Such pari-mutuel method of 15 16 wagering shall not, under any circumstances if conducted under 17 the provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary 18 19 notwithstanding. Subject to rules for advance wagering promulgated by the Board, any licensee may accept wagers in 20 21 advance of the day of the race wagered upon occurs.

(b) No other method of betting, pool making, wagering orgambling shall be used or permitted by the licensee. Each

licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.

5 (b-5) An individual may place a wager under the pari-mutuel 6 system from any licensed location authorized under this Act 7 provided that wager is electronically recorded in the manner 8 described in Section 3.12 of this Act. Any wager made 9 electronically by an individual while physically on the 10 premises of a licensee shall be deemed to have been made at the 11 premises of that licensee.

12 (c) Until January 1, 2000, the sum held by any licensee for 13 payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the 14 15 licensee for payment of such tickets until that date. Within 10 16 days thereafter, the balance of such sum remaining unclaimed, 17 less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any 18 19 pari-mutuel pool, shall be paid to the Illinois Veterans' 20 Rehabilitation Fund of the State treasury, except as provided in subsection (q) of Section 27 of this Act. 21

(c-5) Beginning January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum

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remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee.

6 (d) A pari-mutuel ticket shall be honored until December 31 7 of the next calendar year, and the licensee shall pay the same 8 and may charge the amount thereof against unpaid money 9 similarly accumulated on account of pari-mutuel tickets not 10 presented for payment.

11 (e) No licensee shall knowingly permit any minor, other 12 than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing 13 14 program unless accompanied by a parent or guardian, or any 15 minor to be a patron of the pari-mutuel system of wagering 16 conducted or supervised by it. The admission of any 17 unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a 18 race track is a Class C misdemeanor. 19

(f) Notwithstanding the other provisions of this Act, an organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000,

when the out-of-State entity conducts a pari-mutuel pool 1 2 separate from the organization licensee, a privilege tax equal 3 to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such 4 5 contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue 6 7 within 48 hours of receipt of the moneys from the simulcast. 8 When the out-of-State entity conducts a combined pari-mutuel 9 pool with the organization licensee, the tax shall be 10% of 10 all monies received by the organization licensee with 25% of 11 the receipts from this 10% tax to be distributed to the county 12 in which the race was conducted.

13 An organization licensee may permit one or more of its 14 races to be utilized for pari-mutuel wagering at one or more 15 locations in other states and may transmit audio and visual 16 signals of races the organization licensee conducts to one or 17 more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined 18 19 with its gross or net wagering pools or with wagering pools 20 established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity

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of racing. The host track simulcast program shall include the 1 2 signal of live racing of all organization licensees. All 3 non-host licensees and advance deposit wagering licensees shall carry the signal of and accept wagers on live racing of 4 5 all organization licensees. Advance deposit wagering licensees shall not be permitted to accept out-of-state wagers on any 6 Illinois signal provided pursuant to this Section without the 7 8 approval and consent of the organization licensee providing the 9 signal. For one year after August 15, 2014 (the effective date 10 of Public Act 98-968), non-host licensees may carry the host 11 track simulcast program and shall accept wagers on all races 12 included as part of the simulcast program of horse races 13 conducted at race tracks located within North America upon 14 which wagering is permitted. For a period of one year after 15 August 15, 2014 (the effective date of Public Act 98-968), on 16 horse races conducted at race tracks located outside of North 17 America, non-host licensees may accept wagers on all races included as part of the simulcast program upon which wagering 18 is permitted. Beginning August 15, 2015 (one year after the 19 20 effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers 21 22 on all races included as part of the simulcast program upon 23 which wagering is permitted. All organization licensees shall 24 provide their live signal to all advance deposit wagering 25 licensees for a simulcast commission fee not to exceed 6% of 26 the advance deposit wagering licensee's Illinois handle on the

organization licensee's signal without prior approval by the 1 2 Board. The Board may adopt rules under which it may permit simulcast commission fees in excess of 6%. The Board shall 3 adopt rules limiting the interstate commission fees charged to 4 5 an advance deposit wagering licensee. The Board shall adopt regarding advance deposit wagering 6 rules on interstate 7 simulcast races that shall reflect, among other things, the 8 General Assembly's desire to maximize revenues to the State, 9 horsemen purses, and organizational licensees. However, 10 organization licensees providing live signals pursuant to the 11 requirements of this subsection (g) may petition the Board to 12 withhold their live signals from an advance deposit wagering 13 licensee if the organization licensee discovers and the Board 14 finds reputable or credible information that the advance 15 deposit wagering licensee is under investigation by another 16 state or federal governmental agency, the advance deposit 17 wagering licensee's license has been suspended in another state, or the advance deposit wagering licensee's license is in 18 19 revocation proceedings in another state. The organization 20 licensee's provision of their live signal to an advance deposit wagering licensee under this subsection (g) pertains to wagers 21 22 placed from within Illinois. Advance deposit wagering 23 licensees may place advance deposit wagering terminals at wagering facilities as a convenience to customers. The advance 24 25 deposit wagering licensee shall not charge or collect any fee 26 from purses for the placement of the advance deposit wagering

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terminals. The costs and expenses of the host track and 1 2 non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be 3 borne by the host track and all non-host licensees incurring 4 5 these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races 6 7 without prior approval of the Board. The Board shall promulgate 8 rules under which it may permit interstate commission fees in 9 excess of 5%. The interstate commission fee and other fees 10 charged by the sending racetrack, including, but not limited 11 to, satellite decoder fees, shall be uniformly applied to the 12 host track and all non-host licensees.

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13 Notwithstanding any other provision of this Act, through 14 December 31, 2021 <del>2018</del>, an organization licensee, with the 15 consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers 16 17 who race horses at that organization licensee's racing meeting, may maintain a system whereby advance deposit wagering may take 18 19 place or an organization licensee, with the consent of the 20 horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race 21 22 horses at that organization licensee's racing meeting, may 23 contract with another person to carry out a system of advance 24 deposit wagering. Such consent may not be unreasonably 25 withheld. Only with respect to an appeal to the Board that 26 consent for an organization licensee that maintains its own

advance deposit wagering system is 1 being unreasonably 2 withheld, the Board shall issue a final order within 30 days after initiation of the appeal, and the organization licensee's 3 advance deposit wagering system may remain operational during 4 5 that 30-day period. The actions of any organization licensee who conducts advance deposit wagering or any person who has a 6 contract with an organization licensee to conduct advance 7 8 deposit wagering who conducts advance deposit wagering on or 9 after January 1, 2013 and prior to June 7, 2013 (the effective 10 date of Public Act 98-18) taken in reliance on the changes made 11 to this subsection (q) by Public Act 98-18 are hereby 12 validated, provided payment of all applicable pari-mutuel 13 taxes are remitted to the Board. All advance deposit wagers 14 placed from within Illinois must be placed through a 15 Board-approved advance deposit wagering licensee; no other 16 entity may accept an advance deposit wager from a person within 17 Illinois. All advance deposit wagering is subject to any rules adopted by the Board. The Board may adopt rules necessary to 18 regulate advance deposit wagering through the use of emergency 19 20 rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that 21 22 the adoption of rules to regulate advance deposit wagering is 23 deemed an emergency and necessary for the public interest, 24 safety, and welfare. An advance deposit wagering licensee may 25 retain all moneys as agreed to by contract with an organization 26 licensee. Any moneys retained by the organization licensee from

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2 advance deposit wagering licensee, shall be paid 50% to the organization licensee's purse account 3 and 50% to the organization licensee. With the exception of any organization 4 5 licensee that is owned by a publicly traded company that is incorporated in a state other than Illinois and advance deposit 6 wagering licensees under contract with such organization 7 8 licensees, organization licensees that maintain advance 9 deposit wagering systems and advance deposit wagering 10 licensees that contract with organization licensees shall 11 provide sufficiently detailed monthly accountings to the 12 horsemen association representing the largest number of 13 owners, trainers, jockeys, or standardbred drivers who race 14 horses at that organization licensee's racing meeting so that 15 the horsemen association, as an interested party, can confirm 16 the accuracy of the amounts paid to the purse account at the 17 horsemen association's affiliated organization licensee from advance deposit wagering. If more than one breed races at the 18 19 same race track facility, then the 50% of the moneys to be paid to an organization licensee's purse account shall be allocated 20 among all organization licensees' purse accounts operating at 21 22 that race track facility proportionately based on the actual 23 number of host days that the Board grants to that breed at that 24 race track facility in the current calendar year. To the extent 25 any fees from advance deposit wagering conducted in Illinois

for wagers in Illinois or other states have been placed in

advance deposit wagering, not including moneys retained by the

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escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers or the disbursement of any fees previously escrowed illegal.

5 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an 6 inter-track wagering licensee other than the host track may 7 the host track simulcast supplement program with 8 additional simulcast races or race programs, provided that 9 between January 1 and the third Friday in February of any 10 vear, inclusive, if no live thoroughbred racing is 11 occurring in Illinois during this period, only 12 thoroughbred races may be used for supplemental interstate 13 simulcast purposes. The Board shall withhold approval for a 14 supplemental interstate simulcast only if it finds that the 15 simulcast is clearly adverse to the integrity of racing. A 16 supplemental interstate simulcast may be transmitted from 17 inter-track wagering licensee to its affiliated an non-host licensees. The interstate commission fee for a 18 19 supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees 20 21 receiving the simulcast.

(2) Between the hours of 6:30 p.m. and 6:30 a.m. an inter-track wagering licensee other than the host track may receive supplemental interstate simulcasts only with the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of

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1 racing. Consent granted under this paragraph (2) to any 2 inter-track wagering licensee shall be deemed consent to 3 all non-host licensees. The interstate commission fee for 4 the supplemental interstate simulcast shall be paid by all 5 participating non-host licensees.

6 (3) Each licensee conducting interstate simulcast 7 wagering may retain, subject to the payment of all 8 applicable taxes and the purses, an amount not to exceed 9 17% of all money wagered. If any licensee conducts the 10 pari-mutuel system wagering on races conducted at 11 racetracks in another state or country, each such race or 12 race program shall be considered a separate racing day for the purpose of determining the daily handle and computing 13 14 the privilege tax of that daily handle as provided in 15 subsection (a) of Section 27. Until January 1, 2000, from 16 sums permitted to be retained pursuant to this the 17 subsection, each inter-track wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast 18 19 wagering to the Horse Racing Tax Allocation Fund, subject 20 to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act. 21

(4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the take-out percentages of the

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sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

7 (5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental 8 9 interstate simulcast, which shall be paid by the host track 10 and by each non-host licensee through the host-track) and 11 all applicable State and local taxes, except as provided in 12 subsection (g) of Section 27 of this Act, the remainder of 13 moneys retained from simulcast wagering pursuant to this 14 subsection (g), and Section 26.2 shall be divided as 15 follows:

16 (A) For interstate simulcast wagers made at a host
17 track, 50% to the host track and 50% to purses at the
18 host track.

19 For wagers placed on interstate simulcast (B) 20 races, supplemental simulcasts as defined in 21 subparagraphs (1) and (2), and separately pooled races 22 conducted outside of the State of Illinois made at a 23 non-host licensee, 25% to the host track, 25% to the 24 non-host licensee, and 50% to the purses at the host 25 track.

(6) Notwithstanding any provision in this Act to the

contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.

8 (7) Notwithstanding any provision of this Act to the 9 contrary, after payment of all applicable State and local 10 taxes and interstate commission fees, non-host licensees 11 who derive their licenses from a track located in a county 12 with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from 13 14 interstate simulcast wagers and shall pay 50% to purses at 15 the track from which the non-host licensee derives its 16 license as follows:

(A) Between January 1 and the third Friday in
February, inclusive, if no live thoroughbred racing is
occurring in Illinois during this period, when the
interstate simulcast is a standardbred race, the purse
share to its standardbred purse account;

(B) Between January 1 and the third Friday in
February, inclusive, if no live thoroughbred racing is
occurring in Illinois during this period, and the
interstate simulcast is a thoroughbred race, the purse
share to its interstate simulcast purse pool to be

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distributed under paragraph (10) of this subsection (g);

3 (C) Between January 1 and the third Friday in February, inclusive, if live thoroughbred racing is 4 5 occurring in Illinois, between 6:30 a.m. and 6:30 p.m. 6 the purse share from wagers made during this time 7 period to its thoroughbred purse account and between 6:30 p.m. and 6:30 a.m. the purse share from wagers 8 9 made during this time period to its standardbred purse 10 accounts;

(D) Between the third Saturday in February and December 31, when the interstate simulcast occurs between the hours of 6:30 a.m. and 6:30 p.m., the purse share to its thoroughbred purse account;

(E) Between the third Saturday in February and
December 31, when the interstate simulcast occurs
between the hours of 6:30 p.m. and 6:30 a.m., the purse
share to its standardbred purse account.

19 (7.1) Notwithstanding any other provision of this Act 20 to the contrary, if no standardbred racing is conducted at 21 a racetrack located in Madison County during any calendar 22 year beginning on or after January 1, 2002, all moneys 23 derived by that racetrack from simulcast wagering and 24 inter-track wagering that (1) are to be used for purses and 25 (2) are generated between the hours of 6:30 p.m. and 6:3026 a.m. during that calendar year shall be paid as follows:

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(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and

6 (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall 7 be paid to purses for standardbred races for Illinois 8 9 conceived and foaled horses conducted at any county 10 fairgrounds. The moneys deposited into the Fund 11 pursuant to this subparagraph (B) shall be deposited 12 within 2 weeks after the day they were generated, shall 13 be in addition to and not in lieu of any other moneys 14 paid to standardbred purses under this Act, and shall 15 not be commingled with other moneys paid into that 16 Fund. The moneys deposited pursuant to this 17 subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the 18 advice and assistance of the Illinois Standardbred Breeders Fund 19 20 Advisory Board.

(7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and

1 (2) are generated between the hours of 6:30 a.m. and 6:30 2 p.m. during that calendar year shall be deposited as 3 follows:

4 (A) If the licensee that conducts horse racing at
5 that racetrack requests from the Board at least as many
6 racing dates as were conducted in calendar year 2000,
7 80% shall be deposited into its standardbred purse
8 account; and

9 (B) Twenty percent shall be deposited into the 10 Illinois Colt Stakes Purse Distribution Fund. Moneys 11 deposited into the Illinois Colt Stakes Purse 12 Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and 13 foaled 14 thoroughbred breeders' programs and to thoroughbred 15 purses for races conducted at any county fairgrounds 16 for Illinois conceived and foaled horses at the 17 discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred 18 19 Breeders Fund Advisory Board. The moneys deposited 20 into the Illinois Colt Stakes Purse Distribution Fund 21 pursuant to this subparagraph (B) shall be deposited 22 within 2 weeks after the day they were generated, shall 23 be in addition to and not in lieu of any other moneys 24 paid to thoroughbred purses under this Act, and shall 25 not be commingled with other moneys deposited into that 26 Fund.

1 (7.3) If no live standardbred racing is conducted at a 2 racetrack located in Madison County in calendar year 2000 3 2001, an organization licensee who is licensed to or conduct horse racing at that racetrack shall, before 4 5 January 1, 2002, pay all moneys derived from simulcast 6 wagering and inter-track wagering in calendar years 2000 7 and 2001 and paid into the licensee's standardbred purse account as follows: 8

(A) Eighty percent to that licensee's thoroughbred purse account to be used for thoroughbred purses; and

(B) Twenty percent to the Illinois Colt Stakes
Purse Distribution Fund.

Failure to make the payment to the Illinois Colt Stakes Purse Distribution Fund before January 1, 2002 shall result in the immediate revocation of the licensee's organization license, inter-track wagering license, and inter-track wagering location license.

Moneys paid into the Illinois Colt Stakes Purse 18 19 Distribution Fund pursuant to this paragraph (7.3) shall be 20 paid to purses for standardbred races for Illinois 21 conceived and foaled horses conducted at any county 22 fairgrounds. Moneys paid into the Illinois Colt Stakes 23 Purse Distribution Fund pursuant to this paragraph (7.3) 24 shall be used as determined by the Department of 25 Agriculture, with the advice and assistance of the Illinois 26 Standardbred Breeders Fund Advisory Board, shall be in

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addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with any other moneys paid into that Fund.

(7.4) If live standardbred racing is conducted at a 4 5 racetrack located in Madison County at any time in calendar 6 year 2001 before the payment required under paragraph (7.3) has been made, the organization licensee who is licensed to 7 8 conduct racing at that racetrack shall pay all moneys 9 derived by that racetrack from simulcast wagering and 10 inter-track wagering during calendar years 2000 and 2001 11 that (1) are to be used for purses and (2) are generated 12 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or 2001 to the standardbred purse account at that racetrack to 13 14 be used for standardbred purses.

15 (8) Notwithstanding any provision in this Act to the 16 contrary, an organization licensee from a track located in 17 a county with a population in excess of 230,000 and that 18 borders the Mississippi River and its affiliated non-host 19 licensees shall not be entitled to share in any retention 20 generated on racing, inter-track wagering, or simulcast 21 wagering at any other Illinois wagering facility.

(8.1) Notwithstanding any provisions in this Act to the
contrary, if 2 organization licensees are conducting
standardbred race meetings concurrently between the hours
of 6:30 p.m. and 6:30 a.m., after payment of all applicable
State and local taxes and interstate commission fees, the

remainder of the amount retained from simulcast wagering 1 otherwise attributable to the host track and to host track 2 3 purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 4 2 5 organization licensees, respectively, based on each organization licensee's share of the total live handle for 6 7 that day, provided that this provision shall not apply to 8 any non-host licensee that derives its license from a track 9 located in a county with a population in excess of 230,000 10 and that borders the Mississippi River.

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(9) (Blank).

- 12 (10) (Blank).
- 13 (11) (Blank).

(12) The Board shall have authority to compel all host
tracks to receive the simulcast of any or all races
conducted at the Springfield or DuQuoin State fairgrounds
and include all such races as part of their simulcast
programs.

19 (13) Notwithstanding any other provision of this Act, 20 in the event that the total Illinois pari-mutuel handle on 21 Illinois horse races at all wagering facilities in any 22 calendar year is less than 75% of the total Illinois 23 pari-mutuel handle on Illinois horse races at all such 24 wagering facilities for calendar year 1994, then each 25 wagering facility that has an annual total Illinois 26 pari-mutuel handle on Illinois horse races that is less

1 than 75% of the total Illinois pari-mutuel handle on 2 Illinois horse races at such wagering facility for calendar 3 year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track 4 with which the wagering facility is affiliated in the 5 succeeding calendar year, an amount equal to 2% of the 6 7 differential in total Illinois pari-mutuel handle on 8 Illinois horse races at the wagering facility between that 9 calendar year in question and 1994 provided, however, that 10 a wagering facility shall not be entitled to any such 11 payment until the Board certifies in writing to the 12 wagering facility the amount to which the wagering facility 13 is entitled and a schedule for payment of the amount to the 14 wagering facility, based on: (i) the racing dates awarded 15 to the race track affiliated with the wagering facility 16 during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the 17 race track affiliated with the wagering facility for purses 18 19 during the succeeding year; and (iii) the need to ensure 20 reasonable purse levels during the payment period. The 21 Board's certification shall be provided no later than 22 January 31 of the succeeding year. In the event a wagering 23 facility entitled to a payment under this paragraph (13) is 24 affiliated with a race track that maintains purse accounts 25 for both standardbred and thoroughbred racing, the amount 26 to be paid to the wagering facility shall be divided

1 between each purse account pro rata, based on the amount of 2 Illinois handle on Illinois standardbred and thoroughbred 3 racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly 4 5 shall appropriate sufficient funds from the General 6 Revenue Fund to the Department of Agriculture for payment 7 into the thoroughbred and standardbred horse racing purse 8 accounts at Illinois pari-mutuel tracks. The amount paid to 9 each purse account shall be the amount certified by the 10 Illinois Racing Board in January to be transferred from 11 each account to each eligible racing facility in accordance 12 with the provisions of this Section.

(h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:

17 (1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted 18 19 during the immediately preceding calendar year or where 20 over the 5 immediately preceding calendar years an average 21 of 30 or more days of racing were conducted annually may be 22 issued an inter-track wagering license; (ii) at a track 23 located in a county that is bounded by the Mississippi 24 River, which has a population of less than 150,000 25 according to the 1990 decennial census, and an average of 26 at least 60 days of racing per year between 1985 and 1993

1 may be issued an inter-track wagering license; or (iii) at 2 a track located in Madison County that conducted at least 3 100 days of live racing during the immediately preceding calendar year may be issued an inter-track wagering 4 5 license, unless a lesser schedule of live racing is the 6 result of (A) weather, unsafe track conditions, or other 7 acts of God; (B) an agreement between the organization licensee and the associations representing the largest 8 9 number of owners, trainers, jockeys, or standardbred 10 drivers who race horses at that organization licensee's 11 racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best 12 13 interest of the public and the sport to conduct fewer than 14 100 days of live racing. Any such person having operating 15 control of the racing facility may receive inter-track 16 wagering location licenses. An eligible race track located in a county that has a population of more than 230,000 and 17 that is bounded by the Mississippi River may establish up 18 19 to 9 inter-track wagering locations, an eligible race track 20 located in Stickney Township in Cook County may establish 21 up to 16 inter-track wagering locations, and an eligible 22 race track located in Palatine Township in Cook County may 23 establish up to 18 inter-track wagering locations. An 24 application for said license shall be filed with the Board 25 prior to such dates as may be fixed by the Board. With an 26 application for an inter-track wagering location license

there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with 7 8 respect to their conformity with this Act and the rules and 9 regulations imposed by the Board. If found to be in 10 compliance with the Act and rules and regulations of the 11 Board, the Board may then issue a license to conduct 12 inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the 13 14 Board at a meeting to be held on such date as may be fixed 15 by the Board.

16 (3) In granting licenses to conduct inter-track
17 wagering and simulcast wagering, the Board shall give due
18 consideration to the best interests of the public, of horse
19 racing, and of maximizing revenue to the State.

(4) Prior to the issuance of a license to conduct inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any

1 other monies due and payable under this Act, and (ii) 2 distribution by the licensee, upon presentation of the 3 winning ticket or tickets, of all sums payable to the 4 patrons of pari-mutuel pools.

5 (5) Each license to conduct inter-track wagering and 6 simulcast wagering shall specify the person to whom it is 7 issued, the dates on which such wagering is permitted, and 8 the track or location where the wagering is to be 9 conducted.

10 (6) All wagering under such license is subject to this 11 Act and to the rules and regulations from time to time 12 prescribed by the Board, and every such license issued by 13 the Board shall contain a recital to that effect.

14 (7) An inter-track wagering licensee or inter-track 15 wagering location licensee may accept wagers at the track 16 or location where it is licensed, or as otherwise provided 17 under this Act.

18 (8) Inter-track wagering or simulcast wagering shall
19 not be conducted at any track less than 5 miles from a
20 track at which a racing meeting is in progress.

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations that are within 160 miles of that race track where the particular organization licensee is licensed to conduct racing. However, inter-track

wagering and simulcast wagering shall not be conducted by 1 2 those licensees at any location within 5 miles of any race 3 track at which a horse race meeting has been licensed in the current year, unless the person having operating 4 5 control of such race track has given its written consent to 6 such inter-track wagering location licensees, which 7 consent must be filed with the Board at or prior to the 8 time application is made. In the case of any inter-track 9 wagering location licensee initially licensed after 10 December 31, 2013, inter-track wagering and simulcast 11 wagering shall not be conducted by those inter-track 12 wagering location licensees that are located outside the 13 City of Chicago at any location within 8 miles of any race 14 track at which a horse race meeting has been licensed in 15 the current year, unless the person having operating 16 control of such race track has given its written consent to 17 inter-track wagering location licensees, which such consent must be filed with the Board at or prior to the 18 19 time application is made.

20 (8.2) Inter-track wagering or simulcast wagering shall
21 not be conducted by an inter-track wagering location
22 licensee at any location within 500 feet of an existing
23 church or existing school, nor within 500 feet of the
24 residences of more than 50 registered voters without
25 receiving written permission from a majority of the
26 registered voters at such residences. Such written

permission statements shall be filed with the Board. The 1 2 distance of 500 feet shall be measured to the nearest part 3 any building used for worship services, education of programs, residential purposes, or conducting inter-track 4 5 wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering 6 7 or simulcast wagering may be conducted at a site within 500 8 feet of a church, school or residences of 50 or more 9 registered voters if such church, school or residences have 10 been erected or established, or such voters have been 11 registered, after the Board issues the original 12 inter-track wagering location license at the site in 13 question. Inter-track wagering location licensees may 14 conduct inter-track wagering and simulcast wagering only 15 in areas that are zoned for commercial or manufacturing 16 purposes or in areas for which a special use has been 17 approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering 18 19 shall be granted by the Board with respect to any 20 inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by 21 22 resolution, prohibited the establishment of an inter-track 23 wagering location within jurisdiction. its However, 24 inter-track wagering and simulcast wagering may be 25 conducted at a site if such ordinance or resolution is 26 enacted after the Board licenses the original inter-track

wagering location licensee for the site in question.

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(9) (Blank).

3 (10)inter-track wagering licensee An or an inter-track wagering location licensee may retain, subject 4 5 to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program 6 7 of racing conducted by each inter-track wagering licensee 8 inter-track wagering location licensee shall be or 9 considered a separate racing day for the purpose of determining the daily handle and computing the privilege 10 11 tax or pari-mutuel tax on such daily handle as provided in 12 Section 27.

13 (10.1) Except as provided in subsection (q) of Section 14 27 of this Act, inter-track wagering location licensees 15 shall pay 1% of the pari-mutuel handle at each location to 16 the municipality in which such location is situated and 1% 17 of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an 18 19 inter-track wagering location licensee is situated in an 20 unincorporated area of a county, such licensee shall pay 2% 21 of the pari-mutuel handle from such location to such 22 county.

(10.2) Notwithstanding any other provision of this
Act, with respect to inter-track wagering at a race track
located in a county that has a population of more than
230,000 and that is bounded by the Mississippi River ("the

first race track"), or at a facility operated by an 1 2 inter-track wagering licensee or inter-track wagering 3 location licensee that derives its license from the organization licensee that operates the first race track, 4 5 on races conducted at the first race track or on races Illinois 6 conducted at another race track and 7 simultaneously televised to the first race track or to a 8 facility operated by an inter-track wagering licensee or 9 inter-track wagering location licensee that derives its 10 license from the organization licensee that operates the 11 first race track, those moneys shall be allocated as 12 follows:

13 (A) That portion of all moneys wagered on
14 standardbred racing that is required under this Act to
15 be paid to purses shall be paid to purses for
16 standardbred races.

17 (B) That portion of all moneys wagered on
18 thoroughbred racing that is required under this Act to
19 be paid to purses shall be paid to purses for
20 thoroughbred races.

(11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the

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inter-track wagering licensee on inter-track wagering 1 shall be allocated with 50% to be split between the 2  $\,$ 2 3 participating licensees and 50% to purses, except that an inter-track wagering licensee that derives its license 4 5 from a track located in a county with a population in 6 excess of 230,000 and that borders the Mississippi River 7 shall not divide any remaining retention with the Illinois 8 organization licensee that provides the race or races, and 9 an inter-track wagering licensee that accepts wagers on 10 races conducted by an organization licensee that conducts a 11 race meet in a county with a population in excess of 12 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization 13 14 licensee.

15 (B) From the sums permitted to be retained pursuant to 16 this Act each inter-track wagering location licensee shall 17 pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on inter-track wagering at 18 19 such location on races as purses, except that an 20 inter-track wagering location licensee that derives its 21 license from a track located in a county with a population 22 in excess of 230,000 and that borders the Mississippi River 23 shall retain all purse moneys for its own purse account 24 consistent with distribution set forth in this subsection 25 (h), and inter-track wagering location licensees that 26 accept wagers on races conducted by an organization

1 licensee located in a county with a population in excess of 2 230,000 and that borders the Mississippi River shall 3 distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in 4 5 subsection (q) of Section 27 of this Act, 1% of the 6 pari-mutuel handle wagered on inter-track wagering and 7 simulcast wagering at each inter-track wagering location 8 licensee facility to the Horse Racing Tax Allocation Fund, 9 provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under 10 11 this subsection (h) during any calendar year exceeds the 12 amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess 13 14 amount shall be redistributed (I) to all inter-track 15 wagering location licensees, based on each licensee's 16 pro-rata share of the total handle from inter-track 17 wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in 18 19 which this provision is applicable; then (II) the amounts 20 redistributed to each inter-track wagering location 21 licensee as described in subpart (I) shall be further 22 redistributed as provided in subparagraph (B) of paragraph 23 (5) of subsection (q) of this Section 26 provided first, 24 that the shares of those amounts, which are to be 25 redistributed to the host track or to purses at the host 26 track under subparagraph (B) of paragraph (5) of subsection

(q) of this Section 26 shall be redistributed based on each 1 2 host track's pro rata share of the total inter-track 3 wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any 4 5 amounts redistributed as described in part (I) to an 6 inter-track wagering location licensee that accepts wagers 7 races conducted by an organization licensee that on 8 conducts a race meet in a county with a population in 9 excess of 230,000 and that borders the Mississippi River 10 shall be further redistributed as provided in 11 subparagraphs (D) and (E) of paragraph (7) of subsection 12 (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization 13 14 licensee to be divided between standardbred purses and 15 thoroughbred purses based on the amounts otherwise 16 allocated to purses at that organization licensee during 17 calendar year in question; and (iv) 8% of the the pari-mutuel handle on inter-track wagering wagered at such 18 19 location to satisfy all costs and expenses of conducting 20 its wagering. The remainder of the monies retained by the 21 inter-track wagering location licensee shall be allocated 22 40% to the location licensee and 60% to the organization 23 licensee which provides the Illinois races to the location, 24 except that an inter-track wagering location licensee that 25 derives its license from a track located in a county with a population in excess of 230,000 and that borders the 26

1 Mississippi River shall not divide any remaining retention 2 with the organization licensee that provides the race or 3 races and an inter-track wagering location licensee that accepts wagers on races conducted by an organization 4 5 licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the 6 7 Mississippi River shall not divide any remaining retention 8 organization licensee. Notwithstanding the with the 9 provisions of clauses (ii) and (iv) of this paragraph, in 10 the case of the additional inter-track wagering location 11 licenses authorized under paragraph (1) of this subsection 12 (h) by Public Act 87-110, those licensees shall pay the following amounts as purses: during the first 12 months the 13 14 licensee is in operation, 5.25% of the pari-mutuel handle 15 wagered at the location on races; during the second 12 16 months, 5.25%; during the third 12 months, 5.75%; during 17 the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be 18 19 retained by the licensee to satisfy all costs and expenses 20 of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle 21 22 wagered at the location; during the second 12 months, 23 8.25%; during the third 12 months, 7.75%; during the fourth 24 12 months, 7.25%; and during the fifth 12 months and 25 thereafter, 6.75%. For additional inter-track wagering 26 location licensees authorized under Public Act 89-16,

purses for the first 12 months the licensee is in operation 1 2 shall be 5.75% of the pari-mutuel wagered at the location, 3 purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 4 5 6.75%. For additional inter-track location licensees authorized under Public Act 89-16, the licensee shall be 6 7 allowed to retain to satisfy all costs and expenses: 7.75% 8 of the pari-mutuel handle wagered at the location during 9 its first 12 months of operation, 7.25% during its second 10 12 months of operation, and 6.75% thereafter.

11 (C) There is hereby created the Horse Racing Tax 12 Allocation Fund which shall remain in existence until 13 December 31, 1999. Moneys remaining in the Fund after 14 December 31, 1999 shall be paid into the General Revenue 15 Fund. Until January 1, 2000, all monies paid into the Horse 16 Racing Tax Allocation Fund pursuant to this paragraph (11) 17 by inter-track wagering location licensees located in park districts of 500,000 population or less, 18 or in а 19 municipality that is not included within any park district 20 but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state 21 22 Indiana and (ii) has a 1990 population of 88,257 of 23 according to the United States Bureau of the Census, and 24 operating on May 1, 1994 shall be allocated by 25 appropriation as follows:

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Two-sevenths to the Department of Agriculture.

Fifty percent of this two-sevenths shall be used to 1 2 promote the Illinois horse racing and breeding 3 industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee 4 5 appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve 6 7 chairman; 2 representatives of organization as 8 licensees conducting thoroughbred race meetings in 9 this State, recommended by those licensees; 2 10 representatives of organization licensees conducting 11 standardbred race meetings in this State, recommended 12 by those licensees; a representative of the Illinois 13 Thoroughbred Breeders and Owners Foundation, 14 recommended by that Foundation; a representative of 15 the Illinois Standardbred Owners and Breeders 16 Association, recommended by that Association; а 17 representative of the Horsemen's Benevolent and Protective Association or any successor organization 18 19 thereto established in Illinois comprised of the 20 largest number of owners and trainers, recommended by 21 that Association or that successor organization; and a 22 representative of the Illinois Harness Horsemen's 23 recommended by that Association, Association. Committee members shall serve for terms of 2 years, 24 25 commencing January 1 of each even-numbered year. If a 26 representative of any of the above-named entities has

not been recommended by January 1 of any even-numbered 1 2 year, the Governor shall appoint a committee member to 3 fill that position. Committee members shall receive no compensation for their services as members but shall be 4 5 reimbursed for all actual and necessary expenses and 6 disbursements incurred in the performance of their 7 official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for 8 9 premiums and rehabilitation as set forth in the 10 Agricultural Fair Act;

11 Four-sevenths to park districts or municipalities 12 that do not have a park district of 500,000 population 13 or less for museum purposes (if an inter-track wagering 14 location licensee is located in such a park district) 15 or to conservation districts for museum purposes (if an 16 inter-track wagering location licensee is located in a 17 municipality that is not included within any park but is included within a 18 district conservation 19 district and is the county seat of a county that (i) is 20 contiguous to the state of Indiana and (ii) has a 1990 21 population of 88,257 according to the United States 22 Bureau of the Census, except that if the conservation 23 district does not maintain a museum, the monies shall 24 be allocated equally between the county and the 25 municipality in which the inter-track wagering 26 location licensee is located for general purposes) or

to a municipal recreation board for park purposes (if 1 2 an inter-track wagering location licensee is located 3 in a municipality that is not included within any park district and park maintenance is the function of the 4 5 municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States 6 7 Bureau of the Census); provided that the monies are distributed to each park district or conservation 8 9 district or municipality that does not have a park 10 district in an amount equal to four-sevenths of the 11 amount collected by each inter-track wagering location 12 licensee within the park district or conservation 13 district or municipality for the Fund. Monies that were 14 paid into the Horse Racing Tax Allocation Fund before 15 August 9, 1991 (the effective date of Public Act 16 87-110) by an inter-track wagering location licensee 17 located in a municipality that is not included within any park district but is included within a conservation 18 19 district as provided in this paragraph shall, as soon 20 as practicable after August 9, 1991 (the effective date of Public Act 87-110), be allocated and paid to that 21 22 conservation district as provided in this paragraph. 23 Any park district or municipality not maintaining a 24 museum may deposit the monies in the corporate fund of 25 district or municipality where the park the 26 inter-track wagering location is located, to be used

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for general purposes; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967.

9 Until January 1, 2000, all other monies paid into the 10 Horse Racing Tax Allocation Fund pursuant to this paragraph 11 (11) shall be allocated by appropriation as follows:

12 Two-sevenths to the Department of Agriculture. 13 Fifty percent of this two-sevenths shall be used to promote the 14 Illinois horse racing and breeding 15 industry, and shall be distributed by the Department of 16 Agriculture upon the advice of a 9-member committee 17 appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve 18 19 chairman; 2 representatives of organization as licensees conducting thoroughbred race meetings in 20 21 this State, recommended by those licensees; 2 22 representatives of organization licensees conducting 23 standardbred race meetings in this State, recommended 24 by those licensees; a representative of the Illinois 25 Thoroughbred Breeders and Owners Foundation, 26 recommended by that Foundation; a representative of

Illinois Standardbred 1 the Owners and Breeders 2 Association, recommended by that Association; a 3 representative of the Horsemen's Benevolent and Protective Association or any successor organization 4 thereto established in Illinois comprised of the 5 6 largest number of owners and trainers, recommended by 7 that Association or that successor organization; and a 8 representative of the Illinois Harness Horsemen's 9 Association, recommended by that Association. 10 Committee members shall serve for terms of 2 years, 11 commencing January 1 of each even-numbered year. If a 12 representative of any of the above-named entities has 13 not been recommended by January 1 of any even-numbered 14 year, the Governor shall appoint a committee member to 15 fill that position. Committee members shall receive no 16 compensation for their services as members but shall be 17 reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their 18 19 official duties. The remaining 50% of this 20 two-sevenths shall be distributed to county fairs for 21 premiums and rehabilitation as set forth in the 22 Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax

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for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

3 One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics 4 5 extension councils in accordance with "An Act in 6 relation to additional support and finances for the 7 Agricultural and Home Economic Extension Councils in the several counties of this State and making an 8 9 appropriation therefor", approved July 24, 1967. This 10 subparagraph (C) shall be inoperative and of no force 11 and effect on and after January 1, 2000.

12 (D) Except as provided in paragraph (11) of this 13 subsection (h), with respect to purse allocation from 14 inter-track wagering, the monies so retained shall be 15 divided as follows:

16 (i) If the inter-track wagering licensee, 17 an inter-track wagering licensee that except derives its license from an organization licensee 18 19 located in a county with a population in excess of 20 230,000 and bounded by the Mississippi River, is 21 not conducting its own race meeting during the same 22 dates, then the entire purse allocation shall be to 23 purses at the track where the races wagered on are 24 being conducted.

(ii) If the inter-track wagering licensee,
 except an inter-track wagering licensee that

derives its license from an organization licensee 1 2 located in a county with a population in excess of 3 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the 4 5 same dates, then the purse allocation shall be as 6 follows: 50% to purses at the track where the races 7 wagered on are being conducted; 50% to purses at 8 the track where the inter-track wagering licensee 9 is accepting such wagers.

10 (iii) If the inter-track wagering is being 11 conducted by an inter-track wagering location 12 licensee, except an inter-track wagering location 13 that derives its license licensee from an 14 organization licensee located in a county with a 15 population in excess of 230,000 and bounded by the 16 Mississippi River, the entire purse allocation for 17 Illinois races shall be to purses at the track where the race meeting being wagered on is being 18 19 held.

(12) The Board shall have all powers necessary and
proper to fully supervise and control the conduct of
inter-track wagering and simulcast wagering by inter-track
wagering licensees and inter-track wagering location
licensees, including, but not limited to the following:

(A) The Board is vested with power to promulgate
 reasonable rules and regulations for the purpose of

1administering the conduct of this wagering and to2prescribe reasonable rules, regulations and conditions3under which such wagering shall be held and conducted.4Such rules and regulations are to provide for the5prevention of practices detrimental to the public6interest and for the best interests of said wagering7and to impose penalties for violations thereof.

8 (B) The Board, and any person or persons to whom it 9 delegates this power, is vested with the power to enter 10 the facilities of any licensee to determine whether 11 there has been compliance with the provisions of this 12 Act and the rules and regulations relating to the 13 conduct of such wagering.

14 (C) The Board, and any person or persons to whom it 15 delegates this power, may eject or exclude from any 16 licensee's facilities, any person whose conduct or 17 reputation is such that his presence on such premises may, in the opinion of the Board, call into the 18 19 question the honesty and integrity of, or interfere 20 with the orderly conduct of such wagering; provided, however, that no person shall be excluded or ejected 21 22 from such premises solely on the grounds of race, 23 color, creed, national origin, ancestry, or sex.

(D) (Blank).

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(E) The Board is vested with the power to appoint
 delegates to execute any of the powers granted to it

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under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.

The Board shall name and appoint a State 4 (F) 5 director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise 6 7 the conduct of inter-track wagering as may be provided for by the rules and regulations of the Board; such 8 9 rules and regulation shall specify the method of appointment and the Director's powers, authority and 10 11 duties.

12 (G) The Board is vested with the power to impose 13 civil penalties of up to \$5,000 against individuals and 14 up to \$10,000 against licensees for each violation of 15 any provision of this Act relating to the conduct of 16 this wagering, any rules adopted by the Board, any 17 order of the Board or any other action which in the Board's discretion, is a detriment or impediment to 18 19 such wagering.

20 (13) The Department of Agriculture may enter into 21 agreements with licensees authorizing such licensees to 22 conduct inter-track wagering on races to be held at the 23 licensed race meetings conducted by the Department of 24 Agriculture. Such agreement shall specify the races of the 25 Department of Agriculture's licensed race meeting upon 26 which the licensees will conduct wagering. In the event

1 that a licensee conducts inter-track pari-mutuel wagering 2 on races from the Illinois State Fair or DuQuoin State Fair 3 which are in addition to the licensee's previously approved racing program, those races shall be considered a separate 4 5 racing day for the purpose of determining the daily handle 6 and computing the privilege or pari-mutuel tax on that 7 daily handle as provided in Sections 27 and 27.1. Such 8 agreements shall be approved by the Board before such 9 wagering may be conducted. In determining whether to grant 10 approval, the Board shall give due consideration to the 11 best interests of the public and of horse racing. The 12 provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in 13 14 this paragraph (13) shall not apply to licensed race 15 meetings conducted by the Department of Agriculture at the 16 Illinois State Fair in Sangamon County or the DuQuoin State 17 Fair in Perry County, or to any wagering conducted on those 18 race meetings.

19 (14)inter-track wagering location license An 20 authorized by the Board in 2016 that is owned and operated 21 by a race track in Rock Island County shall be transferred 22 to a commonly owned race track in Cook County on August 12, 23 (the effective date of Public Act 99-757). 2016 The 24 licensee shall retain its status in relation to purse 25 distribution under paragraph (11) of this subsection (h) 26 following the transfer to the new entity. The pari-mutuel

1 tax credit under Section 32.1 shall not be applied toward 2 any pari-mutuel tax obligation of the inter-track wagering 3 location licensee of the license that is transferred under 4 this paragraph (14).

5 (i) Notwithstanding the other provisions of this Act, the 6 conduct of wagering at wagering facilities is authorized on all 7 days, except as limited by subsection (b) of Section 19 of this 8 Act.

9 (Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16; 10 100-201, eff. 8-18-17.)

11 (230 ILCS 5/26.8)

12 Sec. 26.8. Beginning on February 1, 2014 and through December 31, 2021 2018, each wagering licensee may impose a 13 14 surcharge of up to 0.5% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to 15 16 payout. All amounts collected from the imposition of this surcharge shall be evenly distributed to the organization 17 licensee and the purse account of the organization licensee 18 19 with which the licensee is affiliated. The amounts distributed 20 under this Section shall be in addition to the amounts paid 21 pursuant to paragraph (10) of subsection (h) of Section 26, 22 Section 26.3, Section 26.4, Section 26.5, and Section 26.7. (Source: P.A. 98-624, eff. 1-29-14; 99-756, eff. 8-12-16.) 23

24 (230 ILCS 5/26.9)

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Sec. 26.9. Beginning on February 1, 2014 and through 1 2 December 31, 2021 2018, in addition to the surcharge imposed in Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each 3 licensee shall impose a surcharge of 0.2% on winning wagers and 4 5 winnings from wagers. The surcharge shall be deducted from 6 winnings prior to payout. All amounts collected from the 7 surcharges imposed under this Section shall be remitted to the Board. From amounts collected under this Section, the Board 8 9 shall deposit an amount not to exceed \$100,000 annually into 10 the Quarter Horse Purse Fund and all remaining amounts into the 11 Horse Racing Fund.

12 (Source: P.A. 98-624, eff. 1-29-14; 99-756, eff. 8-12-16.)

13 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

14 Sec. 27. (a) In addition to the organization license fee 15 provided by this Act, until January 1, 2000, a graduated 16 privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 17 2000, except as provided in subsection (g) of Section 27 of 18 19 this Act, all of the breakage of each racing day held by any 20 licensee in the State shall be paid to the State. Until January 21 1, 2000, such daily graduated privilege tax shall be paid by 22 the licensee from the amount permitted to be retained under this Act. Until January 1, 2000, each day's graduated privilege 23 24 tax, breakage, and Horse Racing Tax Allocation funds shall be 25 remitted to the Department of Revenue within 48 hours after the

1 close of the racing day upon which it is assessed or within 2 such other time as the Board prescribes. The privilege tax 3 hereby imposed, until January 1, 2000, shall be a flat tax at 4 the rate of 2% of the daily pari-mutuel handle except as 5 provided in Section 27.1.

6 In addition, every organization licensee, except as 7 provided in Section 27.1 of this Act, which conducts multiple wagering shall pay, until January 1, 2000, as a privilege tax 8 9 on multiple wagers an amount equal to 1.25% of all moneys 10 wagered each day on such multiple wagers, plus an additional 11 amount equal to 3.5% of the amount wagered each day on any 12 other multiple wager which involves a single betting interest 13 on 3 or more horses. The licensee shall remit the amount of such taxes to the Department of Revenue within 48 hours after 14 15 the close of the racing day on which it is assessed or within 16 such other time as the Board prescribes.

17 This subsection (a) shall be inoperative and of no force 18 and effect on and after January 1, 2000.

(a-5) Beginning on January 1, 2000, a flat pari-mutuel tax 19 20 at the rate of 1.5% of the daily pari-mutuel handle is imposed at all pari-mutuel wagering facilities and on advance deposit 21 22 wagering from a location other than a wagering facility, except 23 as otherwise provided for in this subsection (a-5). In addition to the pari-mutuel tax imposed on advance deposit wagering 24 25 pursuant to this subsection (a-5), beginning on August 24, 2012 (the effective date of Public Act 97-1060) and through December 26

31, 2021 <del>2018</del>, an additional pari-mutuel tax at the rate of 1 2 0.25% shall be imposed on advance deposit wagering. Until August 25, 2012, the additional 0.25% pari-mutuel tax imposed 3 on advance deposit wagering by Public Act 96-972 shall be 4 5 deposited into the Quarter Horse Purse Fund, which shall be created as a non-appropriated trust fund administered by the 6 Board for grants to thoroughbred organization licensees for 7 payment of purses for quarter horse races conducted by the 8 9 organization licensee. Beginning on August 26, 2012, the 10 additional 0.25% pari-mutuel tax imposed on advance deposit 11 wagering shall be deposited into the Standardbred Purse Fund, 12 which shall be created as a non-appropriated trust fund 13 administered by the Board, for grants to the standardbred organization licensees for payment of purses for standardbred 14 15 horse races conducted by the organization licensee. 16 Thoroughbred organization licensees may petition the Board to 17 conduct guarter horse racing and receive purse grants from the Quarter Horse Purse Fund. The Board shall have complete 18 19 discretion in distributing the Quarter Horse Purse Fund to the 20 petitioning organization licensees. Beginning on July 26, 2010 (the effective date of Public Act 96-1287), a pari-mutuel tax 21 22 at the rate of 0.75% of the daily pari-mutuel handle is imposed 23 at a pari-mutuel facility whose license is derived from a track located in a county that borders the Mississippi River and 24 25 conducted live racing in the previous year. The pari-mutuel tax imposed by this subsection (a-5) shall be remitted to the 26

Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(b) On or before December 31, 1999, in the event that any
organization licensee conducts 2 separate programs of races on
any day, each such program shall be considered a separate
racing day for purposes of determining the daily handle and
computing the privilege tax on such daily handle as provided in
subsection (a) of this Section.

10 (c) Licensees shall at all times keep accurate books and 11 records of all monies wagered on each day of a race meeting and 12 of the taxes paid to the Department of Revenue under the 13 provisions of this Section. The Board or its duly authorized representative or representatives shall at all reasonable 14 15 times have access to such records for the purpose of examining 16 and checking the same and ascertaining whether the proper 17 amount of taxes is being paid as provided. The Board shall require verified reports and a statement of the total of all 18 19 monies wagered daily at each wagering facility upon which the 20 taxes are assessed and may prescribe forms upon which such 21 reports and statement shall be made.

(d) Any licensee failing or refusing to pay the amount of any tax due under this Section shall be guilty of a business offense and upon conviction shall be fined not more than \$5,000 in addition to the amount found due as tax under this Section. Each day's violation shall constitute a separate offense. All

1 fines paid into Court by a licensee hereunder shall be 2 transmitted and paid over by the Clerk of the Court to the 3 Board.

4 (e) No other license fee, privilege tax, excise tax, or
5 racing fee, except as provided in this Act, shall be assessed
6 or collected from any such licensee by the State.

(f) No other license fee, privilege tax, excise tax or 7 8 racing fee shall be assessed or collected from any such 9 licensee by units of local government except as provided in 10 paragraph 10.1 of subsection (h) and subsection (f) of Section 11 26 of this Act. However, any municipality that has a Board 12 licensed horse race meeting at a race track wholly within its corporate boundaries or a township that has a Board licensed 13 14 horse race meeting at a race track wholly within the 15 unincorporated area of the township may charge a local 16 amusement tax not to exceed 10¢ per admission to such horse 17 race meeting by the enactment of an ordinance. However, any municipality or county that has a Board licensed inter-track 18 19 wagering location facility wholly within its corporate 20 boundaries may each impose an admission fee not to exceed \$1.00 21 per admission to such inter-track wagering location facility, 22 so that a total of not more than \$2.00 per admission may be 23 imposed. Except as provided in subparagraph (g) of Section 27 of this Act, the inter-track wagering location licensee shall 24 25 collect any and all such fees and within 48 hours remit the 26 fees to the Board, which shall, pursuant to rule, cause the

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fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to the 2 3 contrary, if in any calendar year the total taxes and fees required to be collected from licensees and distributed under 4 5 this Act to all State and local governmental authorities exceeds the amount of such taxes and fees distributed to each 6 7 State and local governmental authority to which each State and 8 local governmental authority was entitled under this Act for 9 calendar year 1994, then the first \$11 million of that excess 10 amount shall be allocated at the earliest possible date for 11 distribution as purse money for the succeeding calendar year. 12 Upon reaching the 1994 level, and until the excess amount of 13 taxes and fees exceeds \$11 million, the Board shall direct all 14 licensees to cease paying the subject taxes and fees and the 15 Board shall direct all licensees to allocate any such excess 16 amount for purses as follows:

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(i) the excess amount shall be initially divided between thoroughbred and standardbred purses based on the 18 19 thoroughbred's and standardbred's respective percentages 20 of total Illinois live wagering in calendar year 1994;

21 (ii) each thoroughbred and standardbred organization 22 licensee issued organization licensee an in that 23 succeeding allocation year shall be allocated an amount 24 equal to the product of its percentage of total Illinois 25 live thoroughbred or standardbred wagering in calendar 26 year 1994 (the total to be determined based on the sum of

1994 on-track wagering for all organization licensees 1 2 issued organization licenses in both the allocation year 3 and the preceding year) multiplied by the total amount allocated for standardbred or thoroughbred purses, 4 5 provided that the first \$1,500,000 of the amount allocated 6 to standardbred purses under item (i) shall be allocated to the Department of Agriculture to be expended with the 7 8 assistance and advice of the Illinois Standardbred 9 Breeders Funds Advisory Board for the purposes listed in 10 subsection (q) of Section 31 of this Act, before the amount 11 allocated to standardbred purses under item (i) is 12 allocated to standardbred organization licensees in the 13 succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to State and local authorities as provided for under this Act.

19 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 99-756,
20 eff. 8-12-16.)

21 Section 10. The Video Gaming Act is amended by changing the 22 Sections 5, 25, 30, 35, 45, 55, 58, and 60 as follows:

23 (230 ILCS 40/5)

24 Sec. 5. Definitions. As used in this Act:

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"Board" means the Illinois Gaming Board.

2 "Credit" means one, 5, 10, or 25 cents either won or 3 purchased by a player.

"Distributor" means an individual, partnership,
corporation, or limited liability company licensed under this
Act to buy, sell, lease, or distribute video gaming terminals
or major components or parts of video gaming terminals to or
from terminal operators.

9 "Electronic card" means a card purchased from a licensed 10 establishment, licensed fraternal establishment, licensed 11 veterans establishment, or licensed truck stop establishment 12 for use in that establishment as a substitute for cash in the 13 conduct of gaming on a video gaming terminal.

14 "Electronic voucher" means a voucher printed by an 15 electronic video game machine that is redeemable in the 16 licensed establishment for which it was issued.

17 "Terminal operator" means an individual, partnership, 18 corporation, or limited liability company that is licensed 19 under this Act and that owns, services, and maintains video 20 gaming terminals for placement in licensed establishments, 21 licensed truck stop establishments, licensed fraternal 22 establishments, <u>licensed horse racing establishments</u>, or 23 licensed veterans establishments.

24 "Licensed technician" means an individual who is licensed 25 under this Act to repair, service, and maintain video gaming 26 terminals.

"Licensed terminal handler" means a person, including but 1 2 not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or 3 terminal operator, who is licensed under this Act to possess or 4 5 control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal 6 7 handler does not include an individual, partnership, 8 corporation, or limited liability company defined as а 9 manufacturer, distributor, supplier, technician, or terminal 10 operator under this Act.

11 "Manufacturer" means an individual, partnership, 12 corporation, or limited liability company that is licensed 13 under this Act and that manufactures or assembles video gaming 14 terminals.

15 "Supplier" means an individual, partnership, corporation, 16 or limited liability company that is licensed under this Act to 17 supply major components or parts to video gaming terminals to 18 licensed terminal operators.

19 "Net terminal income" means money put into a video gaming 20 terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the

player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

establishment" means 5 "Licensed any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, 6 7 or otherwise served for consumption on the premises, whether 8 the establishment operates on a nonprofit or for-profit basis. 9 "Licensed establishment" includes any such establishment that 10 has a contractual relationship with an inter-track wagering 11 location licensee licensed under the Illinois Horse Racing Act 12 of 1975 that derives its license from an organization licensee 13 whose handle from wagering on Illinois races for 2016 was 14 \$32,000,000 or more, provided any contractual relationship 15 shall not include any transfer or offer of revenue from the 16 operation of video gaming under this Act to any licensee 17 licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a 18 19 contractual relationship with an inter-track wagering location 20 licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of 21 22 any licensee licensed under the Illinois Horse Racing Act of 23 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee 24 25 licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an 26

organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

7 "Licensed fraternal establishment" means the location 8 where a qualified fraternal organization that derives its 9 charter from a national fraternal organization regularly 10 meets.

11 "Licensed horse racing establishment" means a facility 12 operated by an organization licensee whose handle from wagering 13 on Illinois races for 2016 was less than \$32,000,000 or by an 14 inter-track wagering location licensee that derives its 15 license from such an organization licensee.

16 "Licensed veterans establishment" means the location where 17 a qualified veterans organization that derives its charter from 18 a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) 19 20 that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor 21 22 vehicles, (iii) that sells at retail more than 10,000 gallons 23 of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor 24 25 vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of 26

1 this paragraph may be met by showing that estimated future 2 sales or past sales average at least 10,000 gallons per month.

3 <u>"Organization licensee" means an organization licensee as</u>
4 defined in the Illinois Horse Racing Act of 1975.

5 <u>"Inter-track wagering location licensee" means an</u> 6 <u>inter-track wagering location licensee as defined in the</u> 7 <u>Illinois Horse Racing Act of 1975.</u>

8 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
9 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
10 7-16-14.)

11 (230 ILCS 40/25)

12 Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

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(c) Terminal operator. A person may not own, maintain, or

place a video gaming terminal unless he has a valid terminal 1 2 operator's license issued under this Act. A terminal operator 3 may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, 4 5 licensed fraternal establishments, licensed horse racing establishments, and licensed veterans establishments. 6 No 7 terminal operator may give anything of value, including but not 8 limited to a loan or financing arrangement, to a licensed 9 establishment, licensed truck stop establishment, licensed 10 fraternal establishment, licensed horse racing establishment, 11 licensed veterans establishment as any incentive or or 12 inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall 13 14 be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, 15 16 licensed fraternal establishment, licensed horse racing 17 licensed veterans establishment, or establishment, 18 notwithstanding any agreement to the contrary. Licensed horse 19 racing establishments shall deposit 50% of their share of the 20 net terminal income into the horsemen purse accounts associated with their respective race track. If a race track located in 21 22 Cook County races multiple breeds, then the share of net 23 terminal income deposited into the horsemen purse account shall 24 be distributed equally among the breeds unless the organization 25 licensee and the horsemen associations representing the largest number of owners, trainers, jockeys, or standardbred 26

drivers who race horses at that organization licensee's racing meetings agree to a different distribution. A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

6 (d) Licensed technician. A person may not service, 7 maintain, or repair a video gaming terminal in this State 8 unless he or she (1) has a valid technician's license issued 9 under this Act, (2) is a terminal operator, or (3) is employed 10 by a terminal operator, distributor, or manufacturer.

11 (d-5) Licensed terminal handler. No person, including, but 12 not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or 13 terminal operator licensed pursuant to this Act, shall have 14 15 possession or control of a video gaming terminal, or access to 16 the inner workings of a video gaming terminal, unless that 17 person possesses a valid terminal handler's license issued under this Act. 18

(e) Licensed establishment. No video gaming terminal may be 19 20 placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed 21 22 horse racing establishment, or licensed fraternal 23 establishment unless the owner or agent of the owner of the 24 licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed horse racing 25 26 establishment, or licensed fraternal establishment has entered

into a written use agreement with the terminal operator for 1 2 placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and 3 available for inspection by individuals authorized by the 4 5 Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed 6 7 fraternal establishment may operate up to 5 video gaming 8 terminals on its premises at any time, except that a licensed 9 horse racing establishment that is an organization licensee who held that license in 2016 may operate up to 150 video gaming 10 11 terminals at its organization licensee location at any time and 12 a licensed horse racing establishment that is an inter-track 13 wagering location licensee may operate up to 5 video gaming 14 terminals at the inter-track wagering location licensee's location or on the premises of the organization licensee with 15 16 which it is affiliated. An organization licensee may enter into 17 a written use agreement with multiple terminal operators for placement of terminals on the organization licensee's 18

19 <u>premises.</u>

20

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an
 individual or his or her spouse owns, operates, manages, or

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conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

6 (C) When, with respect to a corporation, an individual 7 or his or her spouse is an officer or director, or the 8 individual or his or her spouse is a holder, directly or 9 beneficially, of 5% or more of any class of stock of the 10 corporation; or

11 (D) When, with respect to an organization not covered 12 in (A), (B) or (C) above, an individual or his or her 13 spouse is an officer or manages the business affairs, or 14 the individual or his or her spouse is the owner of or 15 otherwise controls 10% or more of the assets of the 16 organization; or

(E) When an individual or his or her spouse furnishes
5% or more of the capital, whether in cash, goods, or
services, for the operation of any business, association,
or organization during any calendar year; or

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

26 For purposes of this subsection (g), "individual" includes

all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

Location restriction. A 6 (h) licensed establishment, 7 licensed truck stop establishment, licensed fraternal 8 establishment, or licensed veterans establishment that is (i) 9 located within 1,000 feet of a facility operated by an 10 organization licensee licensed under the Illinois Horse Racing 11 Act of 1975 or the home dock of a riverboat licensed under the 12 Riverboat Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation 13 14 Act, is ineligible to operate a video gaming terminal. The 15 location restrictions in this subsection (h) do not apply if 16 (A) a facility operated by an organization licensee, a school, 17 or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck 18 19 stop establishment, licensed fraternal establishment, or 20 licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is 21 22 established within the restricted area after a licensed 23 establishment, licensed truck stop establishment, licensed 24 fraternal establishment, or licensed veterans establishment 25 obtains its original liquor license. For the purpose of this 26 subsection, "school" means an elementary or secondary public

school, or an elementary or secondary private school registered
 with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the 3 Board may waive the requirement that a licensed establishment, 4 5 licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be 6 7 located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing 8 9 Act of 1975 or the home dock of a riverboat licensed under the 10 Riverboat Gambling Act. The Board shall not grant such waiver 11 if there is any common ownership or control, shared business 12 activity, or contractual arrangement of any type between the 13 establishment and the organization licensee or owners licensee 14 of a riverboat. The Board shall adopt rules to implement the 15 provisions of this paragraph.

16 (i) Undue economic concentration. In addition to 17 considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a 18 19 terminal operator in a location, the Board shall consider the 20 impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator 21 22 to operate video gaming terminals if the Board determines such 23 operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means 24 25 that a terminal operator would have such actual or potential 26 influence over video gaming terminals in Illinois as to:

- (1) substantially impede or suppress competition among
   terminal operators;
- 3

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(2) adversely impact the economic stability of the video gaming industry in Illinois; or

5 (3) negatively impact the purposes of the Video Gaming6 Act.

7 The Board shall adopt rules concerning undue economic 8 concentration with respect to the operation of video gaming 9 terminals in Illinois. The rules shall include, but not be 10 limited to, (i) limitations on the number of video gaming 11 terminals operated by any terminal operator within a defined 12 geographic radius and (ii) guidelines on the discontinuation of 13 operation of any such video gaming terminals the Board determines will cause undue economic concentration. 14

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

18 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
19 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

20 (230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, <u>licensed horse racing establishment</u>,

or licensed veterans establishment, and shall be licensed to 1 2 sell only to persons having a valid distributor's license or, if the manufacturer also holds a valid distributor's license, 3 to sell, distribute, lease, or market to persons having a valid 4 5 terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal 6 operator or own, manage, or control a licensed establishment, 7 8 licensed truck stop establishment, licensed fraternal 9 establishment, or licensed veterans establishment, and shall 10 only contract with a licensed terminal operator. A video gaming 11 terminal operator may not be licensed as a video gaming 12 terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, 13 14 licensed fraternal establishment, or licensed veterans 15 establishment, and shall be licensed only to contract with 16 licensed distributors and licensed establishments, licensed 17 truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a 18 19 licensed establishment, licensed truck stop establishment, 20 licensed fraternal establishment, or licensed veterans 21 establishment may not be licensed as a video gaming terminal 22 manufacturer, distributor, or operator, and shall onlv 23 contract with a licensed operator to place and service this 24 equipment.

25 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

1 (230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as
 felony.

(a) Each video gaming terminal shall be licensed by the 4 5 Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, 6 licensed fraternal establishment, licensed horse racing 7 8 establishment, or licensed veterans establishment. The license 9 of each video gaming terminal shall be maintained at the 10 location where the video gaming terminal is operated. Failure 11 to do so is a petty offense with a fine not to exceed \$100. Any 12 licensed establishment, licensed truck stop establishment, licensed fraternal establishment, licensed horse racing 13 14 establishment, or licensed veterans establishment used for the 15 conduct of gambling games in violation of this Act shall be 16 considered a gambling place in violation of Section 28-3 of the 17 Criminal Code of 2012. Every gambling device found in a licensed establishment, licensed truck stop establishment, 18 19 licensed fraternal establishment, licensed horse racing 20 establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to 21 22 seizure, confiscation, and destruction as provided in Section 23 28-5 of the Criminal Code of 2012. Any license issued under the 24 Liquor Control Act of 1934 to any owner or operator of a 25 licensed establishment, licensed truck stop establishment, 26 licensed fraternal establishment, licensed horse racing

1 establishment, or licensed veterans establishment that 2 operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be 3 immediately revoked. No person may own, operate, have in his or 4 5 her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or 6 7 control, any device that awards credits and contains a circuit, 8 meter, or switch capable of removing and recording the removal 9 of credits when the award of credits is dependent upon chance.

Nothing in this Section shall be deemed to prohibit the use of a game device only if the game device is used in an activity that is not gambling under subsection (b) of Section 28-1 of the Criminal Code of 2012.

A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012.

19 The provisions of this Section do not apply to devices or 20 electronic video game terminals licensed pursuant to this Act. 21 A video gaming terminal operated for amusement only and bearing 22 a valid amusement tax sticker shall not be subject to this 23 Section until 30 days after the Board establishes that the 24 central communications system is functional.

(b) (1) The odds of winning each video game shall be postedon or near each video gaming terminal. The manner in which the

odds are calculated and how they are posted shall be determined
 by the Board by rule.

(2) No video gaming terminal licensed under this Act may be 3 played except during the legal hours of operation allowed for 4 5 the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed 6 veterans establishment. No video gaming terminal licensed 7 8 under this Act at a licensed horse racing establishment may be 9 played except during the legal hours of operation allowed in 10 the Illinois Horse Racing Act of 1975. А licensed 11 establishment, licensed fraternal establishment, licensed 12 horse racing establishment, or licensed veterans establishment 13 that violates this subsection is subject to termination of its 14 license by the Board.

15 (Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

16 (230 ILCS 40/45)

17 Sec. 45. Issuance of license.

18 (a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal 19 20 manufacturer, distributor, supplier, operator, handler, 21 licensed establishment, licensed truck stop establishment, 22 licensed fraternal establishment, licensed horse racing establishment, and licensed veterans establishment shall be 23 24 licensed by the Board. The Board may issue or deny a license 25 under this Act to any person pursuant to the same criteria set

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1 forth in Section 9 of the Riverboat Gambling Act.

2 (a-5) The Board shall not grant a license to a person who 3 has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the 4 5 significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in 6 the use of coin-operated amusement devices for gambling 7 purposes" means that the person has been convicted of any 8 violation of Article 28 of the Criminal Code of 1961 or the 9 10 Criminal Code of 2012. If there is pending legal action against 11 a person for any such violation, then the Board shall delay the 12 licensure of that person until the legal action is resolved.

13 (b) Each person seeking and possessing a license as a video 14 gaming terminal manufacturer, distributor, supplier, operator, 15 handler, licensed establishment, licensed truck stop 16 establishment, licensed fraternal establishment, licensed 17 horse racing establishment, or licensed veterans establishment shall submit to a background investigation conducted by the 18 Board with the assistance of the State Police or other law 19 20 enforcement. To the extent that the corporate structure of the 21 applicant allows, the background investigation shall include 22 any or all of the following as the Board deems appropriate or 23 as provided by rule for each category of licensure: (i) each 24 beneficiary of a trust, (ii) each partner of a partnership, 25 (iii) each member of a limited liability company, (iv) each 26 director and officer of a publicly or non-publicly held

1 corporation, (v) each stockholder of a non-publicly held 2 corporation, (vi) each stockholder of 5% or more of a publicly 3 held corporation, or (vii) each stockholder of 5% or more in a 4 parent or subsidiary corporation.

5 (c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, 6 7 handler, licensed establishment, licensed truck stop 8 establishment, licensed fraternal establishment, licensed 9 horse racing establishment, or licensed veterans establishment 10 shall disclose the identity of every person, association, 11 trust, corporation, or limited liability company having a 12 greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is 13 sought. If the disclosed entity is a trust, the application 14 shall disclose the names and addresses of the beneficiaries; if 15 16 a corporation, the names and addresses of all stockholders and 17 directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and 18 19 addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal
manufacturer, distributor, supplier, operator, handler,
licensed establishment, licensed truck stop establishment,
licensed fraternal establishment, <u>licensed horse racing</u>
<u>establishment,</u> or licensed veterans establishment if that
person has been found by the Board to:

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(1) have a background, including a criminal record,

reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;

5 (2) create or enhance the dangers of unsuitable, 6 unfair, or illegal practices, methods, and activities in 7 the conduct of video gaming; or

8 (3) present questionable business practices and 9 financial arrangements incidental to the conduct of video 10 gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

16 (f) A non-refundable application fee shall be paid at the 17 time an application for a license is filed with the Board in 18 the following amounts:

19	(1) Manufacturer \$5,000
20	(2) Distributor \$5,000
21	(3) Terminal operator\$5,000
22	(4) Supplier \$2,500
23	(5) Technician \$100
24	(6) Terminal Handler \$50
25	(g) The Board shall establish an annual fee for each
26	license not to exceed the following:

1	(1) Manufacturer \$10,000	
2	(2) Distributor \$10,000	
3	(3) Terminal operator\$5,000	
4	(4) Supplier \$2,000	
5	(5) Technician \$100	
6	(6) Licensed establishment, licensed truck stop	
7	establishment, licensed fraternal establishment,	
8	licensed horse racing establishment,	
9	or licensed veterans establishment\$100	
10	(7) Video gaming terminal \$100	
11	(8) Terminal Handler \$50	
12	(h) A terminal operator and a licensed establishment,	
13	licensed truck stop establishment, licensed fraternal	
14	establishment, licensed horse racing establishment, or	
15	licensed veterans establishment shall equally split the fees	
16	specified in item (7) of subsection (g).	
17	(Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;	
18	98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)	

19 (230 ILCS 40/55)

20 Sec. 55. Precondition for licensed location. In all cases 21 of application for a licensed location, to operate a video 22 gaming terminal, each licensed establishment, licensed 23 fraternal establishment, or licensed veterans establishment 24 shall possess a valid liquor license issued by the Illinois 25 Liquor Control Commission in effect at the time of application

and at all times thereafter during which a video gaming 1 2 terminal is made available to the public for play at that 3 location. Video gaming terminals in a licensed location shall be operated only during the same hours of operation generally 4 5 permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are 6 7 located. Licensed horse racing establishments may operate 8 video gaming terminals if they hold an organization license or 9 inter-track wagering location license issued by the Illinois 10 Racing Board. A licensed truck stop establishment that does not 11 hold a liquor license may operate video gaming terminals on a 12 continuous basis. A licensed fraternal establishment or 13 licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if 14 (i) the 15 establishment is located in a county with a population between 16 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county 17 prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of 18 alcohol is prohibited. A licensed fraternal establishment or 19 20 licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if 21 (i) the 22 establishment is located in a municipality within a county with 23 a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits 24 25 the sale of alcohol by ordinance in a way that prohibits the 26 establishment from selling alcohol.

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3 (230 ILCS 40/58)

Sec. 58. Location of terminals. Video gaming terminals 4 5 must be located in an area restricted to persons over 21 years 6 of age the entrance to which is within the view of at least one 7 employee, who is over 21 years of age, of the establishment in 8 which they are located. The placement of video gaming terminals 9 in licensed establishments, licensed truck stop 10 establishments, licensed fraternal establishments, licensed 11 horse racing establishment, and licensed veterans 12 establishments shall be subject to the rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act. 13 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.) 14

15

(230 ILCS 40/60)

16 Sec. 60. Imposition and distribution of tax.

17 (a) A tax of 30% is imposed on net terminal income and18 shall be collected by the Board.

(b) Of the tax collected under this Section, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(c) Revenues generated from the play of video gaming
 terminals shall be deposited by the terminal operator, who is

responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

5 (d) Each licensed establishment, licensed truck stop 6 establishment, licensed fraternal establishment, <u>licensed</u> 7 <u>horse racing establishment,</u> and licensed veterans 8 establishment shall maintain an adequate video gaming fund, 9 with the amount to be determined by the Board.

10 (e) The State's percentage of net terminal income shall be 11 reported and remitted to the Board within 15 days after the 12 15th day of each month and within 15 days after the end of each 13 month by the video terminal operator. A video terminal operator 14 who falsely reports or fails to report the amount due required 15 by this Section is guilty of a Class 4 felony and is subject to 16 termination of his or her license by the Board. Each video 17 terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted 18 19 when due shall be paid together with a penalty assessment on 20 the unpaid balance at a rate of 1.5% per month.

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

22 Section 15. The Criminal Code of 2012 is amended by 23 changing Section 28-1 as follows:

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

1 Sec. 28-1. Gambling.

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

(1) knowingly plays a game of chance or skill for money
or other thing of value, unless excepted in subsection (b)
of this Section;

6 (2) knowingly makes a wager upon the result of any 7 game, contest, or any political nomination, appointment or 8 election;

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

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

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securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

5 (5) knowingly owns or possesses any book, instrument or 6 apparatus by means of which bets or wagers have been, or 7 are, recorded or registered, or knowingly possesses any 8 money which he has received in the course of a bet or 9 wager;

10 (6) knowingly sells pools upon the result of any game 11 or contest of skill or chance, political nomination, 12 appointment or election;

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

16 (8) knowingly sets up or promotes any policy game or 17 sells, offers to sell or knowingly possesses or transfers 18 any policy ticket, slip, record, document or other similar 19 device;

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

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(10) knowingly advertises any lottery or policy game,

except for such activity related to lotteries, bingo games
 and raffles authorized by and conducted in accordance with
 the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, 4 5 betting odds, or changes in betting odds by telephone, 6 telegraph, radio, semaphore or similar means; or knowingly 7 installs or maintains equipment for the transmission or 8 receipt of such information; except that nothing in this 9 subdivision (11) prohibits transmission or receipt of such 10 information for use in news reporting of sporting events or 11 contests; or

12 (12) knowingly establishes, maintains, or operates an 13 Internet site that permits a person to play a game of 14 chance or skill for money or other thing of value by means 15 of the Internet or to make a wager upon the result of any 16 contest, political nomination, appointment, or game, 17 election by means of the Internet. This item (12) does not apply to activities referenced in items (6) and (6.1) of 18 subsection (b) of this Section. 19

20 (b) Participants in any of the following activities shall21 not be convicted of gambling:

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

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(2) Offers of prizes, award or compensation to the

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actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

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

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

15 (5) The game commonly known as "bingo", when conducted16 in accordance with the Bingo License and Tax Act.

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

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

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(7) Possession of an antique slot machine that is

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

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

7 (9) Charitable games when conducted in accordance with8 the Charitable Games Act.

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

(11) Gambling games conducted on riverboats whenauthorized by the Riverboat Gambling Act.

13 (12) Video gaming terminal games at a licensed 14 establishment, licensed truck stop establishment, licensed 15 fraternal establishment, <u>licensed horse racing</u> 16 <u>establishment,</u> or licensed veterans establishment when 17 conducted in accordance with the Video Gaming Act.

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

(14) Savings promotion raffles authorized under
Section 5g of the Illinois Banking Act, Section 7008 of the
Savings Bank Act, Section 42.7 of the Illinois Credit Union
Act, Section 5136B of the National Bank Act (12 U.S.C.
25 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
1463).

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1 (c) Sentence.

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

(d) Circumstantial evidence.

6 In prosecutions under this Section circumstantial evidence 7 shall have the same validity and weight as in any criminal 8 prosecution.

9 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

Section 99. Effective date. This Section and Section 5 take
effect upon becoming law.

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