



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3099

by Rep. Katie Stuart

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Horse Racing Act of 1975. Extends the authorization for advance deposit wagering until December 31, 2022 (from December 31, 2020). 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.

LRB101 04972 SMS 49981 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Illinois Horse Racing Act of 1975 is amended
5 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.

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

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

1 licensee may retain, subject to the payment of all applicable
2 taxes and purses, an amount not to exceed 17% of all money
3 wagered under subsection (a) of this Section, except as may
4 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
14 to December 31 of the next year, shall be retained by the
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
18 the purpose of guaranteeing minimum distributions of any
19 pari-mutuel pool, shall be paid to the Illinois Veterans'
20 Rehabilitation Fund of the State treasury, except as provided
21 in subsection (g) of Section 27 of this Act.

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

1 remaining unclaimed, less any uncashed supplements contributed
2 by such licensee for the purpose of guaranteeing minimum
3 distributions of any pari-mutuel pool, shall be evenly
4 distributed to the purse account of the organization licensee
5 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,
13 driver, or employee thereof, to be admitted during a racing
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
18 an owner, trainer, jockey, driver, or employee thereof at a
19 race track is a Class C misdemeanor.

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

1 when the out-of-State entity conducts a pari-mutuel pool
2 separate from the organization licensee, a privilege tax equal
3 to 7 1/2% of all monies received by the organization licensee
4 from entities in other states or countries pursuant to such
5 contracts is imposed on the organization licensee, and such
6 privilege tax shall be remitted to the Department of Revenue
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
18 pari-mutuel pools in other states or countries to be combined
19 with its gross or net wagering pools or with wagering pools
20 established by other states.

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

1 of racing. The host track simulcast program shall include the
2 signal of live racing of all organization licensees. All
3 non-host licensees and advance deposit wagering licensees
4 shall carry the signal of and accept wagers on live racing of
5 all organization licensees. Advance deposit wagering licensees
6 shall not be permitted to accept out-of-state wagers on any
7 Illinois signal provided pursuant to this Section without the
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
18 included as part of the simulcast program upon which wagering
19 is permitted. Beginning August 15, 2015 (one year after the
20 effective date of Public Act 98-968), non-host licensees may
21 carry the host track simulcast program and shall accept wagers
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

1 organization licensee's signal without prior approval by the
2 Board. The Board may adopt rules under which it may permit
3 simulcast commission fees in excess of 6%. The Board shall
4 adopt rules limiting the interstate commission fees charged to
5 an advance deposit wagering licensee. The Board shall adopt
6 rules regarding advance deposit wagering 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
18 state, or the advance deposit wagering licensee's license is in
19 revocation proceedings in another state. The organization
20 licensee's provision of their live signal to an advance deposit
21 wagering licensee under this subsection (g) pertains to wagers
22 placed from within Illinois. Advance deposit wagering
23 licensees may place advance deposit wagering terminals at
24 wagering facilities as a convenience to customers. The advance
25 deposit wagering licensee shall not charge or collect any fee
26 from purses for the placement of the advance deposit wagering

1 terminals. The costs and expenses of the host track and
2 non-host licensees associated with interstate simulcast
3 wagering, other than the interstate commission fee, shall be
4 borne by the host track and all non-host licensees incurring
5 these costs. The interstate commission fee shall not exceed 5%
6 of Illinois handle on the interstate simulcast race or races
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.

13 Notwithstanding any other provision of this Act, through
14 December 31, 2022 ~~2020~~, an organization licensee, with the
15 consent of the horsemen association representing the largest
16 number of owners, trainers, jockeys, or standardbred drivers
17 who race horses at that organization licensee's racing meeting,
18 may maintain a system whereby advance deposit wagering may take
19 place or an organization licensee, with the consent of the
20 horsemen association representing the largest number of
21 owners, trainers, jockeys, or standardbred drivers who race
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

1 advance deposit wagering system is being unreasonably
2 withheld, the Board shall issue a final order within 30 days
3 after initiation of the appeal, and the organization licensee's
4 advance deposit wagering system may remain operational during
5 that 30-day period. The actions of any organization licensee
6 who conducts advance deposit wagering or any person who has a
7 contract with an organization licensee to conduct advance
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 (g) 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
18 adopted by the Board. The Board may adopt rules necessary to
19 regulate advance deposit wagering through the use of emergency
20 rulemaking in accordance with Section 5-45 of the Illinois
21 Administrative Procedure Act. The General Assembly finds that
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

1 advance deposit wagering, not including moneys retained by the
2 advance deposit wagering licensee, shall be paid 50% to the
3 organization licensee's purse account and 50% to the
4 organization licensee. With the exception of any organization
5 licensee that is owned by a publicly traded company that is
6 incorporated in a state other than Illinois and advance deposit
7 wagering licensees under contract with such organization
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
18 advance deposit wagering. If more than one breed races at the
19 same race track facility, then the 50% of the moneys to be paid
20 to an organization licensee's purse account shall be allocated
21 among all organization licensees' purse accounts operating at
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
26 for wagers in Illinois or other states have been placed in

1 escrow or otherwise withheld from wagers pending a
2 determination of the legality of advance deposit wagering, no
3 action shall be brought to declare such wagers or the
4 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 supplement the host track simulcast program with
8 additional simulcast races or race programs, provided that
9 between January 1 and the third Friday in February of any
10 year, 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 an inter-track wagering licensee to its affiliated
18 non-host licensees. The interstate commission fee for a
19 supplemental interstate simulcast shall be paid by the
20 non-host licensee and its affiliated non-host licensees
21 receiving the simulcast.

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

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
13 the purpose of determining the daily handle and computing
14 the privilege tax of that daily handle as provided in
15 subsection (a) of Section 27. Until January 1, 2000, from
16 the sums permitted to be retained pursuant to this
17 subsection, each inter-track wagering location licensee
18 shall pay 1% of the pari-mutuel handle wagered on simulcast
19 wagering to the Horse Racing Tax Allocation Fund, subject
20 to the provisions of subparagraph (B) of paragraph (11) of
21 subsection (h) of Section 26 of this Act.

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

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

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

26 (6) Notwithstanding any provision in this Act to the

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

8 (7) Effective January 1, 2017, notwithstanding any
9 provision of this Act to the contrary, after payment of all
10 applicable State and local taxes and interstate commission
11 fees, non-host licensees who derive their licenses from a
12 track located in a county with a population in excess of
13 230,000 and that borders the Mississippi River shall retain
14 50% of the retention from interstate simulcast wagers and
15 shall pay 50% to purses at the track from which the
16 non-host licensee derives its license.

17 (7.1) Notwithstanding any other provision of this Act
18 to the contrary, if no standardbred racing is conducted at
19 a racetrack located in Madison County during any calendar
20 year beginning on or after January 1, 2002, all moneys
21 derived by that racetrack from simulcast wagering and
22 inter-track wagering that (1) are to be used for purses and
23 (2) are generated between the hours of 6:30 p.m. and 6:30
24 a.m. during that calendar year shall be paid as follows:

25 (A) If the licensee that conducts horse racing at
26 that racetrack requests from the Board at least as many

1 racing dates as were conducted in calendar year 2000,
2 80% shall be paid to its thoroughbred purse account;
3 and

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

19 (7.2) Notwithstanding any other provision of this Act
20 to the contrary, if no thoroughbred 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 a.m. and 6:30
26 p.m. during that calendar year shall be deposited as

1 follows:

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

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

25 (7.3) (Blank).

26 (7.4) (Blank).

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

8 (8.1) Notwithstanding any provisions in this Act to the
9 contrary, if 2 organization licensees are conducting
10 standardbred race meetings concurrently between the hours
11 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
12 State and local taxes and interstate commission fees, the
13 remainder of the amount retained from simulcast wagering
14 otherwise attributable to the host track and to host track
15 purses shall be split daily between the 2 organization
16 licensees and the purses at the tracks of the 2
17 organization licensees, respectively, based on each
18 organization licensee's share of the total live handle for
19 that day, provided that this provision shall not apply to
20 any non-host licensee that derives its license from a track
21 located in a county with a population in excess of 230,000
22 and that borders the Mississippi River.

23 (9) (Blank).

24 (10) (Blank).

25 (11) (Blank).

26 (12) The Board shall have authority to compel all host

1 tracks to receive the simulcast of any or all races
2 conducted at the Springfield or DuQuoin State fairgrounds
3 and include all such races as part of their simulcast
4 programs.

5 (13) Notwithstanding any other provision of this Act,
6 in the event that the total Illinois pari-mutuel handle on
7 Illinois horse races at all wagering facilities in any
8 calendar year is less than 75% of the total Illinois
9 pari-mutuel handle on Illinois horse races at all such
10 wagering facilities for calendar year 1994, then each
11 wagering facility that has an annual total Illinois
12 pari-mutuel handle on Illinois horse races that is less
13 than 75% of the total Illinois pari-mutuel handle on
14 Illinois horse races at such wagering facility for calendar
15 year 1994, shall be permitted to receive, from any amount
16 otherwise payable to the purse account at the race track
17 with which the wagering facility is affiliated in the
18 succeeding calendar year, an amount equal to 2% of the
19 differential in total Illinois pari-mutuel handle on
20 Illinois horse races at the wagering facility between that
21 calendar year in question and 1994 provided, however, that
22 a wagering facility shall not be entitled to any such
23 payment until the Board certifies in writing to the
24 wagering facility the amount to which the wagering facility
25 is entitled and a schedule for payment of the amount to the
26 wagering facility, based on: (i) the racing dates awarded

1 to the race track affiliated with the wagering facility
2 during the succeeding year; (ii) the sums available or
3 anticipated to be available in the purse account of the
4 race track affiliated with the wagering facility for purses
5 during the succeeding year; and (iii) the need to ensure
6 reasonable purse levels during the payment period. The
7 Board's certification shall be provided no later than
8 January 31 of the succeeding year. In the event a wagering
9 facility entitled to a payment under this paragraph (13) is
10 affiliated with a race track that maintains purse accounts
11 for both standardbred and thoroughbred racing, the amount
12 to be paid to the wagering facility shall be divided
13 between each purse account pro rata, based on the amount of
14 Illinois handle on Illinois standardbred and thoroughbred
15 racing respectively at the wagering facility during the
16 previous calendar year. Annually, the General Assembly
17 shall appropriate sufficient funds from the General
18 Revenue Fund to the Department of Agriculture for payment
19 into the thoroughbred and standardbred horse racing purse
20 accounts at Illinois pari-mutuel tracks. The amount paid to
21 each purse account shall be the amount certified by the
22 Illinois Racing Board in January to be transferred from
23 each account to each eligible racing facility in accordance
24 with the provisions of this Section.

25 (h) The Board may approve and license the conduct of
26 inter-track wagering and simulcast wagering by inter-track

1 wagering licensees and inter-track wagering location licensees
2 subject to the following terms and conditions:

3 (1) Any person licensed to conduct a race meeting (i)
4 at a track where 60 or more days of racing were conducted
5 during the immediately preceding calendar year or where
6 over the 5 immediately preceding calendar years an average
7 of 30 or more days of racing were conducted annually may be
8 issued an inter-track wagering license; (ii) at a track
9 located in a county that is bounded by the Mississippi
10 River, which has a population of less than 150,000
11 according to the 1990 decennial census, and an average of
12 at least 60 days of racing per year between 1985 and 1993
13 may be issued an inter-track wagering license; or (iii) at
14 a track located in Madison County that conducted at least
15 100 days of live racing during the immediately preceding
16 calendar year may be issued an inter-track wagering
17 license, unless a lesser schedule of live racing is the
18 result of (A) weather, unsafe track conditions, or other
19 acts of God; (B) an agreement between the organization
20 licensee and the associations representing the largest
21 number of owners, trainers, jockeys, or standardbred
22 drivers who race horses at that organization licensee's
23 racing meeting; or (C) a finding by the Board of
24 extraordinary circumstances and that it was in the best
25 interest of the public and the sport to conduct fewer than
26 100 days of live racing. Any such person having operating

1 control of the racing facility may receive inter-track
2 wagering location licenses. An eligible race track located
3 in a county that has a population of more than 230,000 and
4 that is bounded by the Mississippi River may establish up
5 to 9 inter-track wagering locations, an eligible race track
6 located in Stickney Township in Cook County may establish
7 up to 16 inter-track wagering locations, and an eligible
8 race track located in Palatine Township in Cook County may
9 establish up to 18 inter-track wagering locations. An
10 application for said license shall be filed with the Board
11 prior to such dates as may be fixed by the Board. With an
12 application for an inter-track wagering location license
13 there shall be delivered to the Board a certified check or
14 bank draft payable to the order of the Board for an amount
15 equal to \$500. The application shall be on forms prescribed
16 and furnished by the Board. The application shall comply
17 with all other rules, regulations and conditions imposed by
18 the Board in connection therewith.

19 (2) The Board shall examine the applications with
20 respect to their conformity with this Act and the rules and
21 regulations imposed by the Board. If found to be in
22 compliance with the Act and rules and regulations of the
23 Board, the Board may then issue a license to conduct
24 inter-track wagering and simulcast wagering to such
25 applicant. All such applications shall be acted upon by the
26 Board at a meeting to be held on such date as may be fixed

1 by the Board.

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

6 (4) Prior to the issuance of a license to conduct
7 inter-track wagering and simulcast wagering, the applicant
8 shall file with the Board a bond payable to the State of
9 Illinois in the sum of \$50,000, executed by the applicant
10 and a surety company or companies authorized to do business
11 in this State, and conditioned upon (i) the payment by the
12 licensee of all taxes due under Section 27 or 27.1 and any
13 other monies due and payable under this Act, and (ii)
14 distribution by the licensee, upon presentation of the
15 winning ticket or tickets, of all sums payable to the
16 patrons of pari-mutuel pools.

17 (5) Each license to conduct inter-track wagering and
18 simulcast wagering shall specify the person to whom it is
19 issued, the dates on which such wagering is permitted, and
20 the track or location where the wagering is to be
21 conducted.

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

26 (7) An inter-track wagering licensee or inter-track

1 wagering location licensee may accept wagers at the track
2 or location where it is licensed, or as otherwise provided
3 under this Act.

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

7 (8.1) Inter-track wagering location licensees who
8 derive their licenses from a particular organization
9 licensee shall conduct inter-track wagering and simulcast
10 wagering only at locations that are within 160 miles of
11 that race track where the particular organization licensee
12 is licensed to conduct racing. However, inter-track
13 wagering and simulcast wagering shall not be conducted by
14 those licensees at any location within 5 miles of any race
15 track at which a horse race meeting has been licensed in
16 the current year, unless the person having operating
17 control of such race track has given its written consent to
18 such inter-track wagering location licensees, which
19 consent must be filed with the Board at or prior to the
20 time application is made. In the case of any inter-track
21 wagering location licensee initially licensed after
22 December 31, 2013, inter-track wagering and simulcast
23 wagering shall not be conducted by those inter-track
24 wagering location licensees that are located outside the
25 City of Chicago at any location within 8 miles of any race
26 track at which a horse race meeting has been licensed in

1 the current year, unless the person having operating
2 control of such race track has given its written consent to
3 such inter-track wagering location licensees, which
4 consent must be filed with the Board at or prior to the
5 time application is made.

6 (8.2) Inter-track wagering or simulcast wagering shall
7 not be conducted by an inter-track wagering location
8 licensee at any location within 500 feet of an existing
9 church or existing school, nor within 500 feet of the
10 residences of more than 50 registered voters without
11 receiving written permission from a majority of the
12 registered voters at such residences. Such written
13 permission statements shall be filed with the Board. The
14 distance of 500 feet shall be measured to the nearest part
15 of any building used for worship services, education
16 programs, residential purposes, or conducting inter-track
17 wagering by an inter-track wagering location licensee, and
18 not to property boundaries. However, inter-track wagering
19 or simulcast wagering may be conducted at a site within 500
20 feet of a church, school or residences of 50 or more
21 registered voters if such church, school or residences have
22 been erected or established, or such voters have been
23 registered, after the Board issues the original
24 inter-track wagering location license at the site in
25 question. Inter-track wagering location licensees may
26 conduct inter-track wagering and simulcast wagering only

1 in areas that are zoned for commercial or manufacturing
2 purposes or in areas for which a special use has been
3 approved by the local zoning authority. However, no license
4 to conduct inter-track wagering and simulcast wagering
5 shall be granted by the Board with respect to any
6 inter-track wagering location within the jurisdiction of
7 any local zoning authority which has, by ordinance or by
8 resolution, prohibited the establishment of an inter-track
9 wagering location within its jurisdiction. However,
10 inter-track wagering and simulcast wagering may be
11 conducted at a site if such ordinance or resolution is
12 enacted after the Board licenses the original inter-track
13 wagering location licensee for the site in question.

14 (9) (Blank).

15 (10) An inter-track wagering licensee or an
16 inter-track wagering location licensee may retain, subject
17 to the payment of the privilege taxes and the purses, an
18 amount not to exceed 17% of all money wagered. Each program
19 of racing conducted by each inter-track wagering licensee
20 or inter-track wagering location licensee shall be
21 considered a separate racing day for the purpose of
22 determining the daily handle and computing the privilege
23 tax or pari-mutuel tax on such daily handle as provided in
24 Section 27.

25 (10.1) Except as provided in subsection (g) of Section
26 27 of this Act, inter-track wagering location licensees

1 shall pay 1% of the pari-mutuel handle at each location to
2 the municipality in which such location is situated and 1%
3 of the pari-mutuel handle at each location to the county in
4 which such location is situated. In the event that an
5 inter-track wagering location licensee is situated in an
6 unincorporated area of a county, such licensee shall pay 2%
7 of the pari-mutuel handle from such location to such
8 county.

9 (10.2) Notwithstanding any other provision of this
10 Act, with respect to inter-track wagering at a race track
11 located in a county that has a population of more than
12 230,000 and that is bounded by the Mississippi River ("the
13 first race track"), or at a facility operated by an
14 inter-track wagering licensee or inter-track wagering
15 location licensee that derives its license from the
16 organization licensee that operates the first race track,
17 on races conducted at the first race track or on races
18 conducted at another Illinois race track and
19 simultaneously televised to the first race track or to a
20 facility operated by an inter-track wagering licensee or
21 inter-track wagering location licensee that derives its
22 license from the organization licensee that operates the
23 first race track, those moneys shall be allocated as
24 follows:

25 (A) That portion of all moneys wagered on
26 standardbred racing that is required under this Act to

1 be paid to purses shall be paid to purses for
2 standardbred races.

3 (B) That portion of all moneys wagered on
4 thoroughbred racing that is required under this Act to
5 be paid to purses shall be paid to purses for
6 thoroughbred races.

7 (11) (A) After payment of the privilege or pari-mutuel
8 tax, any other applicable taxes, and the costs and expenses
9 in connection with the gathering, transmission, and
10 dissemination of all data necessary to the conduct of
11 inter-track wagering, the remainder of the monies retained
12 under either Section 26 or Section 26.2 of this Act by the
13 inter-track wagering licensee on inter-track wagering
14 shall be allocated with 50% to be split between the 2
15 participating licensees and 50% to purses, except that an
16 inter-track wagering licensee that derives its license
17 from a track located in a county with a population in
18 excess of 230,000 and that borders the Mississippi River
19 shall not divide any remaining retention with the Illinois
20 organization licensee that provides the race or races, and
21 an inter-track wagering licensee that accepts wagers on
22 races conducted by an organization licensee that conducts a
23 race meet in a county with a population in excess of
24 230,000 and that borders the Mississippi River shall not
25 divide any remaining retention with that organization
26 licensee.

1 (B) From the sums permitted to be retained pursuant to
2 this Act each inter-track wagering location licensee shall
3 pay (i) the privilege or pari-mutuel tax to the State; (ii)
4 4.75% of the pari-mutuel handle on inter-track wagering at
5 such location on races as purses, except that an
6 inter-track wagering location licensee that derives its
7 license from a track located in a county with a population
8 in excess of 230,000 and that borders the Mississippi River
9 shall retain all purse moneys for its own purse account
10 consistent with distribution set forth in this subsection
11 (h), and inter-track wagering location licensees that
12 accept wagers on races conducted by an organization
13 licensee located in a county with a population in excess of
14 230,000 and that borders the Mississippi River shall
15 distribute all purse moneys to purses at the operating host
16 track; (iii) until January 1, 2000, except as provided in
17 subsection (g) of Section 27 of this Act, 1% of the
18 pari-mutuel handle wagered on inter-track wagering and
19 simulcast wagering at each inter-track wagering location
20 licensee facility to the Horse Racing Tax Allocation Fund,
21 provided that, to the extent the total amount collected and
22 distributed to the Horse Racing Tax Allocation Fund under
23 this subsection (h) during any calendar year exceeds the
24 amount collected and distributed to the Horse Racing Tax
25 Allocation Fund during calendar year 1994, that excess
26 amount shall be redistributed (I) to all inter-track

1 wagering location licensees, based on each licensee's pro
2 rata ~~pro-rata~~ share of the total handle from inter-track
3 wagering and simulcast wagering for all inter-track
4 wagering location licensees during the calendar year in
5 which this provision is applicable; then (II) the amounts
6 redistributed to each inter-track wagering location
7 licensee as described in subpart (I) shall be further
8 redistributed as provided in subparagraph (B) of paragraph
9 (5) of subsection (g) of this Section 26 provided first,
10 that the shares of those amounts, which are to be
11 redistributed to the host track or to purses at the host
12 track under subparagraph (B) of paragraph (5) of subsection
13 (g) of this Section 26 shall be redistributed based on each
14 host track's pro rata share of the total inter-track
15 wagering and simulcast wagering handle at all host tracks
16 during the calendar year in question, and second, that any
17 amounts redistributed as described in part (I) to an
18 inter-track wagering location licensee that accepts wagers
19 on races conducted by an organization licensee that
20 conducts a race meet in a county with a population in
21 excess of 230,000 and that borders the Mississippi River
22 shall be further redistributed, effective January 1, 2017,
23 as provided in paragraph (7) of subsection (g) of this
24 Section 26, with the portion of that further redistribution
25 allocated to purses at that organization licensee to be
26 divided between standardbred purses and thoroughbred

1 purses based on the amounts otherwise allocated to purses
2 at that organization licensee during the calendar year in
3 question; and (iv) 8% of the pari-mutuel handle on
4 inter-track wagering wagered at such location to satisfy
5 all costs and expenses of conducting its wagering. The
6 remainder of the monies retained by the inter-track
7 wagering location licensee shall be allocated 40% to the
8 location licensee and 60% to the organization licensee
9 which provides the Illinois races to the location, except
10 that an inter-track wagering location licensee that
11 derives its license from a track located in a county with a
12 population in excess of 230,000 and that borders the
13 Mississippi River shall not divide any remaining retention
14 with the organization licensee that provides the race or
15 races and an inter-track wagering location licensee that
16 accepts wagers on races conducted by an organization
17 licensee that conducts a race meet in a county with a
18 population in excess of 230,000 and that borders the
19 Mississippi River shall not divide any remaining retention
20 with the organization licensee. Notwithstanding the
21 provisions of clauses (ii) and (iv) of this paragraph, in
22 the case of the additional inter-track wagering location
23 licenses authorized under paragraph (1) of this subsection
24 (h) by Public Act 87-110, those licensees shall pay the
25 following amounts as purses: during the first 12 months the
26 licensee is in operation, 5.25% of the pari-mutuel handle

1 wagered at the location on races; during the second 12
2 months, 5.25%; during the third 12 months, 5.75%; during
3 the fourth 12 months, 6.25%; and during the fifth 12 months
4 and thereafter, 6.75%. The following amounts shall be
5 retained by the licensee to satisfy all costs and expenses
6 of conducting its wagering: during the first 12 months the
7 licensee is in operation, 8.25% of the pari-mutuel handle
8 wagered at the location; during the second 12 months,
9 8.25%; during the third 12 months, 7.75%; during the fourth
10 12 months, 7.25%; and during the fifth 12 months and
11 thereafter, 6.75%. For additional inter-track wagering
12 location licensees authorized under Public Act 89-16,
13 purses for the first 12 months the licensee is in operation
14 shall be 5.75% of the pari-mutuel wagered at the location,
15 purses for the second 12 months the licensee is in
16 operation shall be 6.25%, and purses thereafter shall be
17 6.75%. For additional inter-track location licensees
18 authorized under Public Act 89-16, the licensee shall be
19 allowed to retain to satisfy all costs and expenses: 7.75%
20 of the pari-mutuel handle wagered at the location during
21 its first 12 months of operation, 7.25% during its second
22 12 months of operation, and 6.75% thereafter.

23 (C) There is hereby created the Horse Racing Tax
24 Allocation Fund which shall remain in existence until
25 December 31, 1999. Moneys remaining in the Fund after
26 December 31, 1999 shall be paid into the General Revenue

1 Fund. Until January 1, 2000, all monies paid into the Horse
2 Racing Tax Allocation Fund pursuant to this paragraph (11)
3 by inter-track wagering location licensees located in park
4 districts of 500,000 population or less, or in a
5 municipality that is not included within any park district
6 but is included within a conservation district and is the
7 county seat of a county that (i) is contiguous to the state
8 of Indiana and (ii) has a 1990 population of 88,257
9 according to the United States Bureau of the Census, and
10 operating on May 1, 1994 shall be allocated by
11 appropriation as follows:

12 Two-sevenths to the Department of Agriculture.
13 Fifty percent of this two-sevenths shall be used to
14 promote the 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
18 members: the Director of Agriculture, who shall serve
19 as chairman; 2 representatives of organization
20 licensees conducting thoroughbred race meetings in
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

1 the Illinois Standardbred Owners and Breeders
2 Association, recommended by that Association; a
3 representative of the Horsemen's Benevolent and
4 Protective Association or any successor organization
5 thereto established in Illinois comprised of the
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
18 disbursements incurred in the performance of their
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;

23 Four-sevenths to park districts or municipalities
24 that do not have a park district of 500,000 population
25 or less for museum purposes (if an inter-track wagering
26 location licensee is located in such a park district)

1 or to conservation districts for museum purposes (if an
2 inter-track wagering location licensee is located in a
3 municipality that is not included within any park
4 district but is included within a conservation
5 district and is the county seat of a county that (i) is
6 contiguous to the state of Indiana and (ii) has a 1990
7 population of 88,257 according to the United States
8 Bureau of the Census, except that if the conservation
9 district does not maintain a museum, the monies shall
10 be allocated equally between the county and the
11 municipality in which the inter-track wagering
12 location licensee is located for general purposes) or
13 to a municipal recreation board for park purposes (if
14 an inter-track wagering location licensee is located
15 in a municipality that is not included within any park
16 district and park maintenance is the function of the
17 municipal recreation board and the municipality has a
18 1990 population of 9,302 according to the United States
19 Bureau of the Census); provided that the monies are
20 distributed to each park district or conservation
21 district or municipality that does not have a park
22 district in an amount equal to four-sevenths of the
23 amount collected by each inter-track wagering location
24 licensee within the park district or conservation
25 district or municipality for the Fund. Monies that were
26 paid into the Horse Racing Tax Allocation Fund before

1 August 9, 1991 (the effective date of Public Act
2 87-110) by an inter-track wagering location licensee
3 located in a municipality that is not included within
4 any park district but is included within a conservation
5 district as provided in this paragraph shall, as soon
6 as practicable after August 9, 1991 (the effective date
7 of Public Act 87-110), be allocated and paid to that
8 conservation district as provided in this paragraph.
9 Any park district or municipality not maintaining a
10 museum may deposit the monies in the corporate fund of
11 the park district or municipality where the
12 inter-track wagering location is located, to be used
13 for general purposes; and

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

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

24 Two-sevenths to the Department of Agriculture.
25 Fifty percent of this two-sevenths shall be used to
26 promote the Illinois horse racing and breeding

1 industry, and shall be distributed by the Department of
2 Agriculture upon the advice of a 9-member committee
3 appointed by the Governor consisting of the following
4 members: the Director of Agriculture, who shall serve
5 as chairman; 2 representatives of organization
6 licensees conducting thoroughbred race meetings in
7 this State, recommended by those licensees; 2
8 representatives of organization licensees conducting
9 standardbred race meetings in this State, recommended
10 by those licensees; a representative of the Illinois
11 Thoroughbred Breeders and Owners Foundation,
12 recommended by that Foundation; a representative of
13 the Illinois Standardbred Owners and Breeders
14 Association, recommended by that Association; a
15 representative of the Horsemen's Benevolent and
16 Protective Association or any successor organization
17 thereto established in Illinois comprised of the
18 largest number of owners and trainers, recommended by
19 that Association or that successor organization; and a
20 representative of the Illinois Harness Horsemen's
21 Association, recommended by that Association.
22 Committee members shall serve for terms of 2 years,
23 commencing January 1 of each even-numbered year. If a
24 representative of any of the above-named entities has
25 not been recommended by January 1 of any even-numbered
26 year, the Governor shall appoint a committee member to

1 fill that position. Committee members shall receive no
2 compensation for their services as members but shall be
3 reimbursed for all actual and necessary expenses and
4 disbursements incurred in the performance of their
5 official duties. The remaining 50% of this
6 two-sevenths shall be distributed to county fairs for
7 premiums and rehabilitation as set forth in the
8 Agricultural Fair Act;

9 Four-sevenths to museums and aquariums located in
10 park districts of over 500,000 population; provided
11 that the monies are distributed in accordance with the
12 previous year's distribution of the maintenance tax
13 for such museums and aquariums as provided in Section 2
14 of the Park District Aquarium and Museum Act; and

15 One-seventh to the Agricultural Premium Fund to be
16 used for distribution to agricultural home economics
17 extension councils in accordance with "An Act in
18 relation to additional support and finances for the
19 Agricultural and Home Economic Extension Councils in
20 the several counties of this State and making an
21 appropriation therefor", approved July 24, 1967. This
22 subparagraph (C) shall be inoperative and of no force
23 and effect on and after January 1, 2000.

24 (D) Except as provided in paragraph (11) of this
25 subsection (h), with respect to purse allocation from
26 inter-track wagering, the monies so retained shall be

1 divided as follows:

2 (i) If the inter-track wagering licensee,
3 except an inter-track wagering licensee that
4 derives its license from an organization licensee
5 located in a county with a population in excess of
6 230,000 and bounded by the Mississippi River, is
7 not conducting its own race meeting during the same
8 dates, then the entire purse allocation shall be to
9 purses at the track where the races wagered on are
10 being conducted.

11 (ii) If the inter-track wagering licensee,
12 except an inter-track wagering licensee that
13 derives its license from an organization licensee
14 located in a county with a population in excess of
15 230,000 and bounded by the Mississippi River, is
16 also conducting its own race meeting during the
17 same dates, then the purse allocation shall be as
18 follows: 50% to purses at the track where the races
19 wagered on are being conducted; 50% to purses at
20 the track where the inter-track wagering licensee
21 is accepting such wagers.

22 (iii) If the inter-track wagering is being
23 conducted by an inter-track wagering location
24 licensee, except an inter-track wagering location
25 licensee that derives its license from an
26 organization licensee located in a county with a

1 population in excess of 230,000 and bounded by the
2 Mississippi River, the entire purse allocation for
3 Illinois races shall be to purses at the track
4 where the race meeting being wagered on is being
5 held.

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

11 (A) The Board is vested with power to promulgate
12 reasonable rules and regulations for the purpose of
13 administering the conduct of this wagering and to
14 prescribe reasonable rules, regulations and conditions
15 under which such wagering shall be held and conducted.
16 Such rules and regulations are to provide for the
17 prevention of practices detrimental to the public
18 interest and for the best interests of said wagering
19 and to impose penalties for violations thereof.

20 (B) The Board, and any person or persons to whom it
21 delegates this power, is vested with the power to enter
22 the facilities of any licensee to determine whether
23 there has been compliance with the provisions of this
24 Act and the rules and regulations relating to the
25 conduct of such wagering.

26 (C) The Board, and any person or persons to whom it

1 delegates this power, may eject or exclude from any
2 licensee's facilities, any person whose conduct or
3 reputation is such that his presence on such premises
4 may, in the opinion of the Board, call into the
5 question the honesty and integrity of, or interfere
6 with the orderly conduct of such wagering; provided,
7 however, that no person shall be excluded or ejected
8 from such premises solely on the grounds of race,
9 color, creed, national origin, ancestry, or sex.

10 (D) (Blank).

11 (E) The Board is vested with the power to appoint
12 delegates to execute any of the powers granted to it
13 under this Section for the purpose of administering
14 this wagering and any rules and regulations
15 promulgated in accordance with this Act.

16 (F) The Board shall name and appoint a State
17 director of this wagering who shall be a representative
18 of the Board and whose duty it shall be to supervise
19 the conduct of inter-track wagering as may be provided
20 for by the rules and regulations of the Board; such
21 rules and regulation shall specify the method of
22 appointment and the Director's powers, authority and
23 duties.

24 (G) The Board is vested with the power to impose
25 civil penalties of up to \$5,000 against individuals and
26 up to \$10,000 against licensees for each violation of

1 any provision of this Act relating to the conduct of
2 this wagering, any rules adopted by the Board, any
3 order of the Board or any other action which in the
4 Board's discretion, is a detriment or impediment to
5 such wagering.

6 (13) The Department of Agriculture may enter into
7 agreements with licensees authorizing such licensees to
8 conduct inter-track wagering on races to be held at the
9 licensed race meetings conducted by the Department of
10 Agriculture. Such agreement shall specify the races of the
11 Department of Agriculture's licensed race meeting upon
12 which the licensees will conduct wagering. In the event
13 that a licensee conducts inter-track pari-mutuel wagering
14 on races from the Illinois State Fair or DuQuoin State Fair
15 which are in addition to the licensee's previously approved
16 racing program, those races shall be considered a separate
17 racing day for the purpose of determining the daily handle
18 and computing the privilege or pari-mutuel tax on that
19 daily handle as provided in Sections 27 and 27.1. Such
20 agreements shall be approved by the Board before such
21 wagering may be conducted. In determining whether to grant
22 approval, the Board shall give due consideration to the
23 best interests of the public and of horse racing. The
24 provisions of paragraphs (1), (8), (8.1), and (8.2) of
25 subsection (h) of this Section which are not specified in
26 this paragraph (13) shall not apply to licensed race

1 meetings conducted by the Department of Agriculture at the
2 Illinois State Fair in Sangamon County or the DuQuoin State
3 Fair in Perry County, or to any wagering conducted on those
4 race meetings.

5 (14) An inter-track wagering location license
6 authorized by the Board in 2016 that is owned and operated
7 by a race track in Rock Island County shall be transferred
8 to a commonly owned race track in Cook County on August 12,
9 2016 (the effective date of Public Act 99-757). The
10 licensee shall retain its status in relation to purse
11 distribution under paragraph (11) of this subsection (h)
12 following the transfer to the new entity. The pari-mutuel
13 tax credit under Section 32.1 shall not be applied toward
14 any pari-mutuel tax obligation of the inter-track wagering
15 location licensee of the license that is transferred under
16 this paragraph (14).

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

21 (Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;
22 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff.
23 12-14-18; revised 1-13-19.)

24 (230 ILCS 5/26.8)

25 Sec. 26.8. Beginning on February 1, 2014 and through

1 December 31, 2022 ~~2020~~, each wagering licensee may impose a
2 surcharge of up to 0.5% on winning wagers and winnings from
3 wagers. The surcharge shall be deducted from winnings prior to
4 payout. All amounts collected from the imposition of this
5 surcharge shall be evenly distributed to the organization
6 licensee and the purse account of the organization licensee
7 with which the licensee is affiliated. The amounts distributed
8 under this Section shall be in addition to the amounts paid
9 pursuant to paragraph (10) of subsection (h) of Section 26,
10 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

11 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

12 (230 ILCS 5/26.9)

13 Sec. 26.9. Beginning on February 1, 2014 and through
14 December 31, 2022 ~~2020~~, in addition to the surcharge imposed in
15 Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each
16 licensee shall impose a surcharge of 0.2% on winning wagers and
17 winnings from wagers. The surcharge shall be deducted from
18 winnings prior to payout. All amounts collected from the
19 surcharges imposed under this Section shall be remitted to the
20 Board. From amounts collected under this Section, the Board
21 shall deposit an amount not to exceed \$100,000 annually into
22 the Quarter Horse Purse Fund and all remaining amounts into the
23 Horse Racing Fund.

24 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

1 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

2 Sec. 27. (a) In addition to the organization license fee
3 provided by this Act, until January 1, 2000, a graduated
4 privilege tax is hereby imposed for conducting the pari-mutuel
5 system of wagering permitted under this Act. Until January 1,
6 2000, except as provided in subsection (g) of Section 27 of
7 this Act, all of the breakage of each racing day held by any
8 licensee in the State shall be paid to the State. Until January
9 1, 2000, such daily graduated privilege tax shall be paid by
10 the licensee from the amount permitted to be retained under
11 this Act. Until January 1, 2000, each day's graduated privilege
12 tax, breakage, and Horse Racing Tax Allocation funds shall be
13 remitted to the Department of Revenue within 48 hours after the
14 close of the racing day upon which it is assessed or within
15 such other time as the Board prescribes. The privilege tax
16 hereby imposed, until January 1, 2000, shall be a flat tax at
17 the rate of 2% of the daily pari-mutuel handle except as
18 provided in Section 27.1.

19 In addition, every organization licensee, except as
20 provided in Section 27.1 of this Act, which conducts multiple
21 wagering shall pay, until January 1, 2000, as a privilege tax
22 on multiple wagers an amount equal to 1.25% of all moneys
23 wagered each day on such multiple wagers, plus an additional
24 amount equal to 3.5% of the amount wagered each day on any
25 other multiple wager which involves a single betting interest
26 on 3 or more horses. The licensee shall remit the amount of

1 such taxes to the Department of Revenue within 48 hours after
2 the close of the racing day on which it is assessed or within
3 such other time as the Board prescribes.

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

6 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
7 at the rate of 1.5% of the daily pari-mutuel handle is imposed
8 at all pari-mutuel wagering facilities and on advance deposit
9 wagering from a location other than a wagering facility, except
10 as otherwise provided for in this subsection (a-5). In addition
11 to the pari-mutuel tax imposed on advance deposit wagering
12 pursuant to this subsection (a-5), beginning on August 24, 2012
13 (the effective date of Public Act 97-1060) and through December
14 31, 2022 ~~2020~~, an additional pari-mutuel tax at the rate of
15 0.25% shall be imposed on advance deposit wagering. Until
16 August 25, 2012, the additional 0.25% pari-mutuel tax imposed
17 on advance deposit wagering by Public Act 96-972 shall be
18 deposited into the Quarter Horse Purse Fund, which shall be
19 created as a non-appropriated trust fund administered by the
20 Board for grants to thoroughbred organization licensees for
21 payment of purses for quarter horse races conducted by the
22 organization licensee. Beginning on August 26, 2012, the
23 additional 0.25% pari-mutuel tax imposed on advance deposit
24 wagering shall be deposited into the Standardbred Purse Fund,
25 which shall be created as a non-appropriated trust fund
26 administered by the Board, for grants to the standardbred

1 organization licensees for payment of purses for standardbred
2 horse races conducted by the organization licensee.
3 Thoroughbred organization licensees may petition the Board to
4 conduct quarter horse racing and receive purse grants from the
5 Quarter Horse Purse Fund. The Board shall have complete
6 discretion in distributing the Quarter Horse Purse Fund to the
7 petitioning organization licensees. Beginning on July 26, 2010
8 (the effective date of Public Act 96-1287), a pari-mutuel tax
9 at the rate of 0.75% of the daily pari-mutuel handle is imposed
10 at a pari-mutuel facility whose license is derived from a track
11 located in a county that borders the Mississippi River and
12 conducted live racing in the previous year. The pari-mutuel tax
13 imposed by this subsection (a-5) shall be remitted to the
14 Department of Revenue within 48 hours after the close of the
15 racing day upon which it is assessed or within such other time
16 as the Board prescribes.

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

23 (c) Licensees shall at all times keep accurate books and
24 records of all monies wagered on each day of a race meeting and
25 of the taxes paid to the Department of Revenue under the
26 provisions of this Section. The Board or its duly authorized

1 representative or representatives shall at all reasonable
2 times have access to such records for the purpose of examining
3 and checking the same and ascertaining whether the proper
4 amount of taxes is being paid as provided. The Board shall
5 require verified reports and a statement of the total of all
6 monies wagered daily at each wagering facility upon which the
7 taxes are assessed and may prescribe forms upon which such
8 reports and statement shall be made.

9 (d) Any licensee failing or refusing to pay the amount of
10 any tax due under this Section shall be guilty of a business
11 offense and upon conviction shall be fined not more than \$5,000
12 in addition to the amount found due as tax under this Section.
13 Each day's violation shall constitute a separate offense. All
14 fines paid into Court by a licensee hereunder shall be
15 transmitted and paid over by the Clerk of the Court to the
16 Board.

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

20 (f) No other license fee, privilege tax, excise tax or
21 racing fee shall be assessed or collected from any such
22 licensee by units of local government except as provided in
23 paragraph 10.1 of subsection (h) and subsection (f) of Section
24 26 of this Act. However, any municipality that has a Board
25 licensed horse race meeting at a race track wholly within its
26 corporate boundaries or a township that has a Board licensed

1 horse race meeting at a race track wholly within the
2 unincorporated area of the township may charge a local
3 amusement tax not to exceed 10¢ per admission to such horse
4 race meeting by the enactment of an ordinance. However, any
5 municipality or county that has a Board licensed inter-track
6 wagering location facility wholly within its corporate
7 boundaries may each impose an admission fee not to exceed \$1.00
8 per admission to such inter-track wagering location facility,
9 so that a total of not more than \$2.00 per admission may be
10 imposed. Except as provided in subparagraph (g) of Section 27
11 of this Act, the inter-track wagering location licensee shall
12 collect any and all such fees and within 48 hours remit the
13 fees to the Board, which shall, pursuant to rule, cause the
14 fees to be distributed to the county or municipality.

15 (g) Notwithstanding any provision in this Act to the
16 contrary, if in any calendar year the total taxes and fees
17 required to be collected from licensees and distributed under
18 this Act to all State and local governmental authorities
19 exceeds the amount of such taxes and fees distributed to each
20 State and local governmental authority to which each State and
21 local governmental authority was entitled under this Act for
22 calendar year 1994, then the first \$11 million of that excess
23 amount shall be allocated at the earliest possible date for
24 distribution as purse money for the succeeding calendar year.
25 Upon reaching the 1994 level, and until the excess amount of
26 taxes and fees exceeds \$11 million, the Board shall direct all

1 licensees to cease paying the subject taxes and fees and the
2 Board shall direct all licensees to allocate any such excess
3 amount for purses as follows:

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

8 (ii) each thoroughbred and standardbred organization
9 licensee issued an organization licensee in that
10 succeeding allocation year shall be allocated an amount
11 equal to the product of its percentage of total Illinois
12 live thoroughbred or standardbred wagering in calendar
13 year 1994 (the total to be determined based on the sum of
14 1994 on-track wagering for all organization licensees
15 issued organization licenses in both the allocation year
16 and the preceding year) multiplied by the total amount
17 allocated for standardbred or thoroughbred purses,
18 provided that the first \$1,500,000 of the amount allocated
19 to standardbred purses under item (i) shall be allocated to
20 the Department of Agriculture to be expended with the
21 assistance and advice of the Illinois Standardbred
22 Breeders Funds Advisory Board for the purposes listed in
23 subsection (g) of Section 31 of this Act, before the amount
24 allocated to standardbred purses under item (i) is
25 allocated to standardbred organization licensees in the
26 succeeding allocation year.

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

6 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

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

9 (230 ILCS 40/5)

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

11 "Board" means the Illinois Gaming Board.

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

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

19 "Electronic card" means a card purchased from a licensed
20 establishment, licensed fraternal establishment, licensed
21 veterans establishment, or licensed truck stop establishment
22 for use in that establishment as a substitute for cash in the
23 conduct of gaming on a video gaming terminal.

24 "Electronic voucher" means a voucher printed by an

1 electronic video game machine that is redeemable in the
2 licensed establishment for which it was issued.

3 "Terminal operator" means an individual, partnership,
4 corporation, or limited liability company that is licensed
5 under this Act and that owns, services, and maintains video
6 gaming terminals for placement in licensed establishments,
7 licensed truck stop establishments, licensed fraternal
8 establishments, licensed horse racing establishments, or
9 licensed veterans establishments.

10 "Licensed technician" means an individual who is licensed
11 under this Act to repair, service, and maintain video gaming
12 terminals.

13 "Licensed terminal handler" means a person, including but
14 not limited to an employee or independent contractor working
15 for a manufacturer, distributor, supplier, technician, or
16 terminal operator, who is licensed under this Act to possess or
17 control a video gaming terminal or to have access to the inner
18 workings of a video gaming terminal. A licensed terminal
19 handler does not include an individual, partnership,
20 corporation, or limited liability company defined as a
21 manufacturer, distributor, supplier, technician, or terminal
22 operator under this Act.

23 "Manufacturer" means an individual, partnership,
24 corporation, or limited liability company that is licensed
25 under this Act and that manufactures or assembles video gaming
26 terminals.

1 "Supplier" means an individual, partnership, corporation,
2 or limited liability company that is licensed under this Act to
3 supply major components or parts to video gaming terminals to
4 licensed terminal operators.

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

7 "Video gaming terminal" means any electronic video game
8 machine that, upon insertion of cash, electronic cards or
9 vouchers, or any combination thereof, is available to play or
10 simulate the play of a video game, including but not limited to
11 video poker, line up, and blackjack, as authorized by the Board
12 utilizing a video display and microprocessors in which the
13 player may receive free games or credits that can be redeemed
14 for cash. The term does not include a machine that directly
15 dispenses coins, cash, or tokens or is for amusement purposes
16 only.

17 "Licensed establishment" means any licensed retail
18 establishment where alcoholic liquor is drawn, poured, mixed,
19 or otherwise served for consumption on the premises, whether
20 the establishment operates on a nonprofit or for-profit basis.

21 "Licensed establishment" includes any such establishment that
22 has a contractual relationship with an inter-track wagering
23 location licensee licensed under the Illinois Horse Racing Act
24 of 1975 that derives its license from an organization licensee
25 whose handle from wagering on Illinois races for 2016 was
26 \$32,000,000 or more, provided any contractual relationship

1 shall not include any transfer or offer of revenue from the
2 operation of video gaming under this Act to any licensee
3 licensed under the Illinois Horse Racing Act of 1975. Provided,
4 however, that the licensed establishment that has such a
5 contractual relationship with an inter-track wagering location
6 licensee may not, itself, be (i) an inter-track wagering
7 location licensee, (ii) the corporate parent or subsidiary of
8 any licensee licensed under the Illinois Horse Racing Act of
9 1975, or (iii) the corporate subsidiary of a corporation that
10 is also the corporate parent or subsidiary of any licensee
11 licensed under the Illinois Horse Racing Act of 1975. "Licensed
12 establishment" does not include a facility operated by an
13 organization licensee, an inter-track wagering licensee, or an
14 inter-track wagering location licensee licensed under the
15 Illinois Horse Racing Act of 1975 or a riverboat licensed under
16 the Riverboat Gambling Act, except as provided in this
17 paragraph. The changes made to this definition by Public Act
18 98-587 are declarative of existing law.

19 "Licensed fraternal establishment" means the location
20 where a qualified fraternal organization that derives its
21 charter from a national fraternal organization regularly
22 meets.

23 "Licensed horse racing establishment" means a facility
24 operated by an organization licensee whose handle from wagering
25 on Illinois races for 2016 was less than \$32,000,000 or by an
26 inter-track wagering location licensee that derives its

1 license from such an organization licensee.

2 "Licensed veterans establishment" means the location where
3 a qualified veterans organization that derives its charter from
4 a national veterans organization regularly meets.

5 "Licensed truck stop establishment" means a facility (i)
6 that is at least a 3-acre facility with a convenience store,
7 (ii) with separate diesel islands for fueling commercial motor
8 vehicles, (iii) that sells at retail more than 10,000 gallons
9 of diesel or biodiesel fuel per month, and (iv) with parking
10 spaces for commercial motor vehicles. "Commercial motor
11 vehicles" has the same meaning as defined in Section 18b-101 of
12 the Illinois Vehicle Code. The requirement of item (iii) of
13 this paragraph may be met by showing that estimated future
14 sales or past sales average at least 10,000 gallons per month.

15 "Organization licensee" means an organization licensee as
16 defined in the Illinois Horse Racing Act of 1975.

17 "Inter-track wagering location licensee" means an
18 inter-track wagering location licensee as defined in the
19 Illinois Horse Racing Act of 1975.

20 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
21 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
22 7-16-14.)

23 (230 ILCS 40/25)

24 Sec. 25. Restriction of licensees.

25 (a) Manufacturer. A person may not be licensed as a

1 manufacturer of a video gaming terminal in Illinois unless the
2 person has a valid manufacturer's license issued under this
3 Act. A manufacturer may only sell video gaming terminals for
4 use in Illinois to persons having a valid distributor's
5 license.

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

12 (c) Terminal operator. A person may not own, maintain, or
13 place a video gaming terminal unless he has a valid terminal
14 operator's license issued under this Act. A terminal operator
15 may only place video gaming terminals for use in Illinois in
16 licensed establishments, licensed truck stop establishments,
17 licensed fraternal establishments, licensed horse racing
18 establishments, and licensed veterans establishments. No
19 terminal operator may give anything of value, including but not
20 limited to a loan or financing arrangement, to a licensed
21 establishment, licensed truck stop establishment, licensed
22 fraternal establishment, licensed horse racing establishment,
23 or licensed veterans establishment as any incentive or
24 inducement to locate video terminals in that establishment. Of
25 the after-tax profits from a video gaming terminal, 50% shall
26 be paid to the terminal operator and 50% shall be paid to the

1 licensed establishment, licensed truck stop establishment,
2 licensed fraternal establishment, licensed horse racing
3 establishment, or licensed veterans establishment,
4 notwithstanding any agreement to the contrary. Licensed horse
5 racing establishments shall deposit 50% of their share of the
6 net terminal income into the horsemen purse accounts associated
7 with their respective race track. If a race track located in
8 Cook County races multiple breeds, then the share of net
9 terminal income deposited into the horsemen purse account shall
10 be distributed equally among the breeds unless the organization
11 licensee and the horsemen associations representing the
12 largest number of owners, trainers, jockeys, or standardbred
13 drivers who race horses at that organization licensee's racing
14 meetings agree to a different distribution. A video terminal
15 operator that violates one or more requirements of this
16 subsection is guilty of a Class 4 felony and is subject to
17 termination of his or her license by the Board.

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

23 (d-5) Licensed terminal handler. No person, including, but
24 not limited to, an employee or independent contractor working
25 for a manufacturer, distributor, supplier, technician, or
26 terminal operator licensed pursuant to this Act, shall have

1 possession or control of a video gaming terminal, or access to
2 the inner workings of a video gaming terminal, unless that
3 person possesses a valid terminal handler's license issued
4 under this Act.

5 (e) Licensed establishment. No video gaming terminal may be
6 placed in any licensed establishment, licensed veterans
7 establishment, licensed truck stop establishment, licensed
8 horse racing establishment, or licensed fraternal
9 establishment unless the owner or agent of the owner of the
10 licensed establishment, licensed veterans establishment,
11 licensed truck stop establishment, licensed horse racing
12 establishment, or licensed fraternal establishment has entered
13 into a written use agreement with the terminal operator for
14 placement of the terminals. A copy of the use agreement shall
15 be on file in the terminal operator's place of business and
16 available for inspection by individuals authorized by the
17 Board. A licensed establishment, licensed truck stop
18 establishment, licensed veterans establishment, or licensed
19 fraternal establishment may operate up to 5 video gaming
20 terminals on its premises at any time, except that a licensed
21 horse racing establishment that is an organization licensee who
22 held that license in 2016 may operate up to 150 video gaming
23 terminals at its organization licensee location at any time and
24 a licensed horse racing establishment that is an inter-track
25 wagering location licensee may operate up to 5 video gaming
26 terminals at the inter-track wagering location licensee's

1 location or on the premises of the organization licensee with
2 which it is affiliated. An organization licensee may enter into
3 a written use agreement with multiple terminal operators for
4 placement of terminals on the organization licensee's
5 premises.

6 (f) (Blank).

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

11 (A) When, with respect to a sole proprietorship, an
12 individual or his or her spouse owns, operates, manages, or
13 conducts, directly or indirectly, the organization,
14 association, or business, or any part thereof; or

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

18 (C) When, with respect to a corporation, an individual
19 or his or her spouse is an officer or director, or the
20 individual or his or her spouse is a holder, directly or
21 beneficially, of 5% or more of any class of stock of the
22 corporation; or

23 (D) When, with respect to an organization not covered
24 in (A), (B) or (C) above, an individual or his or her
25 spouse is an officer or manages the business affairs, or
26 the individual or his or her spouse is the owner of or

1 otherwise controls 10% or more of the assets of the
2 organization; or

3 (E) When an individual or his or her spouse furnishes
4 5% or more of the capital, whether in cash, goods, or
5 services, for the operation of any business, association,
6 or organization during any calendar year; or

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

12 For purposes of this subsection (g), "individual" includes
13 all individuals or their spouses whose combined interest would
14 qualify as a substantial interest under this subsection (g) and
15 whose activities with respect to an organization, association,
16 or business are so closely aligned or coordinated as to
17 constitute the activities of a single entity.

18 (h) Location restriction. A licensed establishment,
19 licensed truck stop establishment, licensed fraternal
20 establishment, or licensed veterans establishment that is (i)
21 located within 1,000 feet of a facility operated by an
22 organization licensee licensed under the Illinois Horse Racing
23 Act of 1975 or the home dock of a riverboat licensed under the
24 Riverboat Gambling Act or (ii) located within 100 feet of a
25 school or a place of worship under the Religious Corporation
26 Act, is ineligible to operate a video gaming terminal. The

1 location restrictions in this subsection (h) do not apply if
2 (A) a facility operated by an organization licensee, a school,
3 or a place of worship moves to or is established within the
4 restricted area after a licensed establishment, licensed truck
5 stop establishment, licensed fraternal establishment, or
6 licensed veterans establishment becomes licensed under this
7 Act or (B) a school or place of worship moves to or is
8 established within the restricted area after a licensed
9 establishment, licensed truck stop establishment, licensed
10 fraternal establishment, or licensed veterans establishment
11 obtains its original liquor license. For the purpose of this
12 subsection, "school" means an elementary or secondary public
13 school, or an elementary or secondary private school registered
14 with or recognized by the State Board of Education.

15 Notwithstanding the provisions of this subsection (h), the
16 Board may waive the requirement that a licensed establishment,
17 licensed truck stop establishment, licensed fraternal
18 establishment, or licensed veterans establishment not be
19 located within 1,000 feet from a facility operated by an
20 organization licensee licensed under the Illinois Horse Racing
21 Act of 1975 or the home dock of a riverboat licensed under the
22 Riverboat Gambling Act. The Board shall not grant such waiver
23 if there is any common ownership or control, shared business
24 activity, or contractual arrangement of any type between the
25 establishment and the organization licensee or owners licensee
26 of a riverboat. The Board shall adopt rules to implement the

1 provisions of this paragraph.

2 (i) Undue economic concentration. In addition to
3 considering all other requirements under this Act, in deciding
4 whether to approve the operation of video gaming terminals by a
5 terminal operator in a location, the Board shall consider the
6 impact of any economic concentration of such operation of video
7 gaming terminals. The Board shall not allow a terminal operator
8 to operate video gaming terminals if the Board determines such
9 operation will result in undue economic concentration. For
10 purposes of this Section, "undue economic concentration" means
11 that a terminal operator would have such actual or potential
12 influence over video gaming terminals in Illinois as to:

13 (1) substantially impede or suppress competition among
14 terminal operators;

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

17 (3) negatively impact the purposes of the Video Gaming
18 Act.

19 The Board shall adopt rules concerning undue economic
20 concentration with respect to the operation of video gaming
21 terminals in Illinois. The rules shall include, but not be
22 limited to, (i) limitations on the number of video gaming
23 terminals operated by any terminal operator within a defined
24 geographic radius and (ii) guidelines on the discontinuation of
25 operation of any such video gaming terminals the Board
26 determines will cause undue economic concentration.

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

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

6 (230 ILCS 40/30)

7 Sec. 30. Multiple types of licenses prohibited. A video
8 gaming terminal manufacturer may not be licensed as a video
9 gaming terminal operator or own, manage, or control a licensed
10 establishment, licensed truck stop establishment, licensed
11 fraternal establishment, licensed horse racing establishment,
12 or licensed veterans establishment, and shall be licensed to
13 sell only to persons having a valid distributor's license or,
14 if the manufacturer also holds a valid distributor's license,
15 to sell, distribute, lease, or market to persons having a valid
16 terminal operator's license. A video gaming terminal
17 distributor may not be licensed as a video gaming terminal
18 operator or own, manage, or control a licensed establishment,
19 licensed truck stop establishment, licensed fraternal
20 establishment, or licensed veterans establishment, and shall
21 only contract with a licensed terminal operator. A video gaming
22 terminal operator may not be licensed as a video gaming
23 terminal manufacturer or distributor or own, manage, or control
24 a licensed establishment, licensed truck stop establishment,
25 licensed fraternal establishment, or licensed veterans

1 establishment, and shall be licensed only to contract with
2 licensed distributors and licensed establishments, licensed
3 truck stop establishments, licensed fraternal establishments,
4 and licensed veterans establishments. An owner or manager of a
5 licensed establishment, licensed truck stop establishment,
6 licensed fraternal establishment, or licensed veterans
7 establishment may not be licensed as a video gaming terminal
8 manufacturer, distributor, or operator, and shall only
9 contract with a licensed operator to place and service this
10 equipment.

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

12 (230 ILCS 40/35)

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

15 (a) Each video gaming terminal shall be licensed by the
16 Board before placement or operation on the premises of a
17 licensed establishment, licensed truck stop establishment,
18 licensed fraternal establishment, licensed horse racing
19 establishment, or licensed veterans establishment. The license
20 of each video gaming terminal shall be maintained at the
21 location where the video gaming terminal is operated. Failure
22 to do so is a petty offense with a fine not to exceed \$100. Any
23 licensed establishment, licensed truck stop establishment,
24 licensed fraternal establishment, licensed horse racing
25 establishment, or licensed veterans establishment used for the

1 conduct of gambling games in violation of this Act shall be
2 considered a gambling place in violation of Section 28-3 of the
3 Criminal Code of 2012. Every gambling device found in a
4 licensed establishment, licensed truck stop establishment,
5 licensed fraternal establishment, licensed horse racing
6 establishment, or licensed veterans establishment operating
7 gambling games in violation of this Act shall be subject to
8 seizure, confiscation, and destruction as provided in Section
9 28-5 of the Criminal Code of 2012. Any license issued under the
10 Liquor Control Act of 1934 to any owner or operator of a
11 licensed establishment, licensed truck stop establishment,
12 licensed fraternal establishment, licensed horse racing
13 establishment, or licensed veterans establishment that
14 operates or permits the operation of a video gaming terminal
15 within its establishment in violation of this Act shall be
16 immediately revoked. No person may own, operate, have in his or
17 her possession or custody or under his or her control, or
18 permit to be kept in any place under his or her possession or
19 control, any device that awards credits and contains a circuit,
20 meter, or switch capable of removing and recording the removal
21 of credits when the award of credits is dependent upon chance.

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

26 A violation of this Section is a Class 4 felony. All

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

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

11 (b) (1) The odds of winning each video game shall be posted
12 on or near each video gaming terminal. The manner in which the
13 odds are calculated and how they are posted shall be determined
14 by the Board by rule.

15 (2) No video gaming terminal licensed under this Act may be
16 played except during the legal hours of operation allowed for
17 the consumption of alcoholic beverages at the licensed
18 establishment, licensed fraternal establishment, or licensed
19 veterans establishment. No video gaming terminal licensed
20 under this Act at a licensed horse racing establishment may be
21 played except during the legal hours of operation allowed in
22 the Illinois Horse Racing Act of 1975. A licensed
23 establishment, licensed fraternal establishment, licensed
24 horse racing establishment, or licensed veterans establishment
25 that violates this subsection is subject to termination of its
26 license by the Board.

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

2 (230 ILCS 40/45)

3 Sec. 45. Issuance of license.

4 (a) The burden is upon each applicant to demonstrate his
5 suitability for licensure. Each video gaming terminal
6 manufacturer, distributor, supplier, operator, handler,
7 licensed establishment, licensed truck stop establishment,
8 licensed fraternal establishment, licensed horse racing
9 establishment, and licensed veterans establishment shall be
10 licensed by the Board. The Board may issue or deny a license
11 under this Act to any person pursuant to the same criteria set
12 forth in Section 9 of the Riverboat Gambling Act.

13 (a-5) The Board shall not grant a license to a person who
14 has facilitated, enabled, or participated in the use of
15 coin-operated devices for gambling purposes or who is under the
16 significant influence or control of such a person. For the
17 purposes of this Act, "facilitated, enabled, or participated in
18 the use of coin-operated amusement devices for gambling
19 purposes" means that the person has been convicted of any
20 violation of Article 28 of the Criminal Code of 1961 or the
21 Criminal Code of 2012. If there is pending legal action against
22 a person for any such violation, then the Board shall delay the
23 licensure of that person until the legal action is resolved.

24 (b) Each person seeking and possessing a license as a video
25 gaming terminal manufacturer, distributor, supplier, operator,

1 handler, licensed establishment, licensed truck stop
2 establishment, licensed fraternal establishment, licensed
3 horse racing establishment, or licensed veterans establishment
4 shall submit to a background investigation conducted by the
5 Board with the assistance of the State Police or other law
6 enforcement. To the extent that the corporate structure of the
7 applicant allows, the background investigation shall include
8 any or all of the following as the Board deems appropriate or
9 as provided by rule for each category of licensure: (i) each
10 beneficiary of a trust, (ii) each partner of a partnership,
11 (iii) each member of a limited liability company, (iv) each
12 director and officer of a publicly or non-publicly held
13 corporation, (v) each stockholder of a non-publicly held
14 corporation, (vi) each stockholder of 5% or more of a publicly
15 held corporation, or (vii) each stockholder of 5% or more in a
16 parent or subsidiary corporation.

17 (c) Each person seeking and possessing a license as a video
18 gaming terminal manufacturer, distributor, supplier, operator,
19 handler, licensed establishment, licensed truck stop
20 establishment, licensed fraternal establishment, licensed
21 horse racing establishment, or licensed veterans establishment
22 shall disclose the identity of every person, association,
23 trust, corporation, or limited liability company having a
24 greater than 1% direct or indirect pecuniary interest in the
25 video gaming terminal operation for which the license is
26 sought. If the disclosed entity is a trust, the application

1 shall disclose the names and addresses of the beneficiaries; if
2 a corporation, the names and addresses of all stockholders and
3 directors; if a limited liability company, the names and
4 addresses of all members; or if a partnership, the names and
5 addresses of all partners, both general and limited.

6 (d) No person may be licensed as a video gaming terminal
7 manufacturer, distributor, supplier, operator, handler,
8 licensed establishment, licensed truck stop establishment,
9 licensed fraternal establishment, licensed horse racing
10 establishment, or licensed veterans establishment if that
11 person has been found by the Board to:

12 (1) have a background, including a criminal record,
13 reputation, habits, social or business associations, or
14 prior activities that pose a threat to the public interests
15 of the State or to the security and integrity of video
16 gaming;

17 (2) create or enhance the dangers of unsuitable,
18 unfair, or illegal practices, methods, and activities in
19 the conduct of video gaming; or

20 (3) present questionable business practices and
21 financial arrangements incidental to the conduct of video
22 gaming activities.

23 (e) Any applicant for any license under this Act has the
24 burden of proving his or her qualifications to the satisfaction
25 of the Board. The Board may adopt rules to establish additional
26 qualifications and requirements to preserve the integrity and

1 security of video gaming in this State.

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

- 5 (1) Manufacturer \$5,000
- 6 (2) Distributor..... \$5,000
- 7 (3) Terminal operator..... \$5,000
- 8 (4) Supplier \$2,500
- 9 (5) Technician \$100
- 10 (6) Terminal Handler \$100
- 11 (7) Licensed establishment, licensed truck stop
12 establishment, licensed fraternal establishment,
13 or licensed veterans establishment \$100

14 (g) The Board shall establish an annual fee for each
15 license not to exceed the following:

- 16 (1) Manufacturer \$10,000
- 17 (2) Distributor..... \$10,000
- 18 (3) Terminal operator..... \$5,000
- 19 (4) Supplier \$2,000
- 20 (5) Technician \$100
- 21 (6) Licensed establishment, licensed truck stop
22 establishment, licensed fraternal establishment,
23 licensed horse racing establishment,
24 or licensed veterans establishment \$100
- 25 (7) Video gaming terminal..... \$100
- 26 (8) Terminal Handler \$100

1 (h) A terminal operator and a licensed establishment,
2 licensed truck stop establishment, licensed fraternal
3 establishment, licensed horse racing establishment, or
4 licensed veterans establishment shall equally split the fees
5 specified in item (7) of subsection (g).

6 (Source: P.A. 100-1152, eff. 12-14-18.)

7 (230 ILCS 40/55)

8 Sec. 55. Precondition for licensed location. In all cases
9 of application for a licensed location, to operate a video
10 gaming terminal, each licensed establishment, licensed
11 fraternal establishment, or licensed veterans establishment
12 shall possess a valid liquor license issued by the Illinois
13 Liquor Control Commission in effect at the time of application
14 and at all times thereafter during which a video gaming
15 terminal is made available to the public for play at that
16 location. Video gaming terminals in a licensed location shall
17 be operated only during the same hours of operation generally
18 permitted to holders of a license under the Liquor Control Act
19 of 1934 within the unit of local government in which they are
20 located. Licensed horse racing establishments may operate
21 video gaming terminals if they hold an organization license or
22 inter-track wagering location license issued by the Illinois
23 Racing Board. A licensed truck stop establishment that does not
24 hold a liquor license may operate video gaming terminals on a
25 continuous basis. A licensed fraternal establishment or

1 licensed veterans establishment that does not hold a liquor
2 license may operate video gaming terminals if (i) the
3 establishment is located in a county with a population between
4 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county
5 prohibits by ordinance the sale of alcohol, and (iii) the
6 establishment is in a portion of the county where the sale of
7 alcohol is prohibited. A licensed fraternal establishment or
8 licensed veterans establishment that does not hold a liquor
9 license may operate video gaming terminals if (i) the
10 establishment is located in a municipality within a county with
11 a population between 8,500 and 9,000 based on the 2000 U.S.
12 Census and (ii) the municipality or county prohibits or limits
13 the sale of alcohol by ordinance in a way that prohibits the
14 establishment from selling alcohol.

15 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10;
16 97-594, eff. 8-26-11.)

17 (230 ILCS 40/58)

18 Sec. 58. Location of terminals. Video gaming terminals
19 must be located in an area restricted to persons over 21 years
20 of age the entrance to which is within the view of at least one
21 employee, who is over 21 years of age, of the establishment in
22 which they are located. The placement of video gaming terminals
23 in licensed establishments, licensed truck stop
24 establishments, licensed fraternal establishments, licensed
25 horse racing establishment, and licensed veterans

1 establishments shall be subject to the rules promulgated by the
2 Board pursuant to the Illinois Administrative Procedure Act.

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

4 (230 ILCS 40/60)

5 Sec. 60. Imposition and distribution of tax.

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

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

12 (c) Revenues generated from the play of video gaming
13 terminals shall be deposited by the terminal operator, who is
14 responsible for tax payments, in a specially created, separate
15 bank account maintained by the video gaming terminal operator
16 to allow for electronic fund transfers of moneys for tax
17 payment.

18 (d) Each licensed establishment, licensed truck stop
19 establishment, licensed fraternal establishment, licensed
20 horse racing establishment, and licensed veterans
21 establishment shall maintain an adequate video gaming fund,
22 with the amount to be determined by the Board.

23 (e) The State's percentage of net terminal income shall be
24 reported and remitted to the Board within 15 days after the
25 15th day of each month and within 15 days after the end of each

1 month by the video terminal operator. A video terminal operator
2 who falsely reports or fails to report the amount due required
3 by this Section is guilty of a Class 4 felony and is subject to
4 termination of his or her license by the Board. Each video
5 terminal operator shall keep a record of net terminal income in
6 such form as the Board may require. All payments not remitted
7 when due shall be paid together with a penalty assessment on
8 the unpaid balance at a rate of 1.5% per month.

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

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

12 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

13 Sec. 28-1. Gambling.

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

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

18 (2) knowingly makes a wager upon the result of any
19 game, contest, or any political nomination, appointment or
20 election;

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

24 (4) contracts to have or give himself or herself or

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

19 (5) knowingly owns or possesses any book, instrument or
20 apparatus by means of which bets or wagers have been, or
21 are, recorded or registered, or knowingly possesses any
22 money which he has received in the course of a bet or
23 wager;

24 (6) knowingly sells pools upon the result of any game
25 or contest of skill or chance, political nomination,
26 appointment or election;

1 (7) knowingly sets up or promotes any lottery or sells,
2 offers to sell or transfers any ticket or share for any
3 lottery;

4 (8) knowingly sets up or promotes any policy game or
5 sells, offers to sell or knowingly possesses or transfers
6 any policy ticket, slip, record, document or other similar
7 device;

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

14 (10) knowingly advertises any lottery or policy game,
15 except for such activity related to lotteries, bingo games
16 and raffles authorized by and conducted in accordance with
17 the laws of Illinois or any other state;

18 (11) knowingly transmits information as to wagers,
19 betting odds, or changes in betting odds by telephone,
20 telegraph, radio, semaphore or similar means; or knowingly
21 installs or maintains equipment for the transmission or
22 receipt of such information; except that nothing in this
23 subdivision (11) prohibits transmission or receipt of such
24 information for use in news reporting of sporting events or
25 contests; or

26 (12) knowingly establishes, maintains, or operates an

1 Internet site that permits a person to play a game of
2 chance or skill for money or other thing of value by means
3 of the Internet or to make a wager upon the result of any
4 game, contest, political nomination, appointment, or
5 election by means of the Internet. This item (12) does not
6 apply to activities referenced in items (6) and (6.1) of
7 subsection (b) of this Section.

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

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

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

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

20 (4) Manufacture of gambling devices, including the
21 acquisition of essential parts therefor and the assembly
22 thereof, for transportation in interstate or foreign
23 commerce to any place outside this State when such
24 transportation is not prohibited by any applicable Federal
25 law; or the manufacture, distribution, or possession of
26 video gaming terminals, as defined in the Video Gaming Act,

1 by manufacturers, distributors, and terminal operators
2 licensed to do so under the Video Gaming Act.

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

5 (6) Lotteries when conducted by the State of Illinois
6 in accordance with the Illinois Lottery Law. This exemption
7 includes any activity conducted by the Department of
8 Revenue to sell lottery tickets pursuant to the provisions
9 of the Illinois Lottery Law and its rules.

10 (6.1) The purchase of lottery tickets through the
11 Internet for a lottery conducted by the State of Illinois
12 under the program established in Section 7.12 of the
13 Illinois Lottery Law.

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

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

21 (9) Charitable games when conducted in accordance with
22 the Charitable Games Act.

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

25 (11) Gambling games conducted on riverboats when
26 authorized by the Riverboat Gambling Act.

1 (12) Video gaming terminal games at a licensed
2 establishment, licensed truck stop establishment, licensed
3 fraternal establishment, licensed horse racing
4 establishment, or licensed veterans establishment when
5 conducted in accordance with the Video Gaming Act.

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

9 (14) Savings promotion raffles authorized under
10 Section 5g of the Illinois Banking Act, Section 7008 of the
11 Savings Bank Act, Section 42.7 of the Illinois Credit Union
12 Act, Section 5136B of the National Bank Act (12 U.S.C.
13 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
14 1463).

15 (c) Sentence.

16 Gambling is a Class A misdemeanor. A second or subsequent
17 conviction under subsections (a) (3) through (a) (12), is a Class
18 4 felony.

19 (d) Circumstantial evidence.

20 In prosecutions under this Section circumstantial evidence
21 shall have the same validity and weight as in any criminal
22 prosecution.

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

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

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7	230 ILCS 40/5	
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