



Rep. Jay Hoffman

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10200HB1282ham001

LRB102 03292 SMS 25078 a

1 AMENDMENT TO HOUSE BILL 1282

2 AMENDMENT NO. _____. Amend House Bill 1282 by replacing
3 everything after the enacting clause with the following:

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

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

7 Sec. 7. Owners licenses.

8 (a) The Board shall issue owners licenses to persons or
9 entities that apply for such licenses upon payment to the
10 Board of the non-refundable license fee as provided in
11 subsection (e) or (e-5) and upon a determination by the Board
12 that the applicant is eligible for an owners license pursuant
13 to this Act and the rules of the Board. From December 15, 2008
14 ~~(the effective date of Public Act 95-1008) ~~this amendatory Act~~~~
15 ~~of the 95th General Assembly~~ until (i) 3 years after December
16 15, 2008 ~~(the effective date of Public Act 95-1008) ~~this~~~~

1 ~~amendatory Act of the 95th General Assembly~~, (ii) the date any
2 organization licensee begins to operate a slot machine or
3 video game of chance under the Illinois Horse Racing Act of
4 1975 or this Act, (iii) the date that payments begin under
5 subsection (c-5) of Section 13 of this Act, (iv) the wagering
6 tax imposed under Section 13 of this Act is increased by law to
7 reflect a tax rate that is at least as stringent or more
8 stringent than the tax rate contained in subsection (a-3) of
9 Section 13, or (v) when an owners licensee holding a license
10 issued pursuant to Section 7.1 of this Act begins conducting
11 gaming, whichever occurs first, as a condition of licensure
12 and as an alternative source of payment for those funds
13 payable under subsection (c-5) of Section 13 of this Act, any
14 owners licensee that holds or receives its owners license on
15 or after May 26, 2006 (the effective date of Public Act 94-804)
16 ~~this amendatory Act of the 94th General Assembly~~, other than
17 an owners licensee operating a riverboat with adjusted gross
18 receipts in calendar year 2004 of less than \$200,000,000, must
19 pay into the Horse Racing Equity Trust Fund, in addition to any
20 other payments required under this Act, an amount equal to 3%
21 of the adjusted gross receipts received by the owners
22 licensee. The payments required under this Section shall be
23 made by the owners licensee to the State Treasurer no later
24 than 3:00 o'clock p.m. of the day after the day when the
25 adjusted gross receipts were received by the owners licensee.
26 A person or entity is ineligible to receive an owners license

1 if:

2 (1) the person has been convicted of a felony under
3 the laws of this State, any other state, or the United
4 States;

5 (2) the person has been convicted of any violation of
6 Article 28 of the Criminal Code of 1961 or the Criminal
7 Code of 2012, or substantially similar laws of any other
8 jurisdiction;

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

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

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

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

18 (7) (blank); or

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

22 The Board is expressly prohibited from making changes to
23 the requirement that licensees make payment into the Horse
24 Racing Equity Trust Fund without the express authority of the
25 Illinois General Assembly and making any other rule to
26 implement or interpret Public Act 95-1008 ~~this amendatory Act~~

1 ~~of the 95th General Assembly.~~ For the purposes of this
2 paragraph, "rules" is given the meaning given to that term in
3 Section 1-70 of the Illinois Administrative Procedure Act.

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

6 (1) the character, reputation, experience, and
7 financial integrity of the applicants and of any other or
8 separate person that either:

9 (A) controls, directly or indirectly, such
10 applicant; ~~or~~

11 (B) is controlled, directly or indirectly, by such
12 applicant or by a person which controls, directly or
13 indirectly, such applicant;

14 (2) the facilities or proposed facilities for the
15 conduct of gambling;

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

18 (4) the extent to which the ownership of the applicant
19 reflects the diversity of the State by including minority
20 persons, women, and persons with a disability and the good
21 faith affirmative action plan of each applicant to
22 recruit, train and upgrade minority persons, women, and
23 persons with a disability in all employment
24 classifications; the Board shall further consider granting
25 an owners license and giving preference to an applicant
26 under this Section to applicants in which minority persons

1 and women hold ownership interest of at least 16% and 4%,
2 respectively;i-

3 (4.5) the extent to which the ownership of the
4 applicant includes veterans of service in the armed forces
5 of the United States, and the good faith affirmative
6 action plan of each applicant to recruit, train, and
7 upgrade veterans of service in the armed forces of the
8 United States in all employment classifications;

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

11 (6) whether the applicant has adequate capitalization
12 to provide and maintain, for the duration of a license, a
13 riverboat or casino;

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

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

18 (9) the extent to which the applicant or the proposed
19 host municipality plans to enter into revenue sharing
20 agreements with communities other than the host
21 municipality; and

22 (10) the extent to which the ownership of an applicant
23 includes the most qualified number of minority persons,
24 women, and persons with a disability.

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

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

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

1 the City of Peoria. The Board shall issue one additional
2 license to become effective not earlier than March 1, 1992,
3 which shall authorize riverboat gambling on the Des Plaines
4 River in Will County. The Board may issue 4 additional
5 licenses to become effective not earlier than March 1, 1992.
6 In determining the water upon which riverboats will operate,
7 the Board shall consider the economic benefit which riverboat
8 gambling confers on the State, and shall seek to assure that
9 all regions of the State share in the economic benefits of
10 riverboat gambling.

11 In granting all licenses, the Board may give favorable
12 consideration to economically depressed areas of the State, to
13 applicants presenting plans which provide for significant
14 economic development over a large geographic area, and to
15 applicants who currently operate non-gambling riverboats in
16 Illinois. The Board shall review all applications for owners
17 licenses, and shall inform each applicant of the Board's
18 decision. The Board may grant an owners license to an
19 applicant that has not submitted the highest license bid, but
20 if it does not select the highest bidder, the Board shall issue
21 a written decision explaining why another applicant was
22 selected and identifying the factors set forth in this Section
23 that favored the winning bidder. The fee for issuance or
24 renewal of a license pursuant to this subsection (e) shall be
25 \$250,000.

26 (e-5) In addition to licenses authorized under subsection

1 (e) of this Section:

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

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

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

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

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

15 (6) the Board may issue one owners license authorizing
16 the conduct of riverboat gambling in Franklin County or
17 Williamson County ~~the unincorporated area of Williamson~~
18 ~~County adjacent to the Big Muddy River.~~

19 Except for the licenses ~~license~~ authorized under
20 paragraphs ~~paragraph~~ (1) and (6), each application for a
21 license pursuant to this subsection (e-5) shall be submitted
22 to the Board no later than 120 days after June 28, 2019 (the
23 effective date of Public Act 101-31). All applications for a
24 license under this subsection (e-5) shall include the
25 nonrefundable application fee and the nonrefundable background
26 investigation fee as provided in subsection (d) of Section 6

1 of this Act. In the event that an applicant submits an
2 application for a license pursuant to this subsection (e-5)
3 prior to June 28, 2019 (the effective date of Public Act
4 101-31), such applicant shall submit the nonrefundable
5 application fee and background investigation fee as provided
6 in subsection (d) of Section 6 of this Act no later than 6
7 months after June 28, 2019 (the effective date of Public Act
8 101-31).

9 The Board shall consider issuing a license pursuant to
10 paragraphs (1) through (6) of this subsection only after the
11 corporate authority of the municipality or the county board of
12 the county in which the riverboat or casino shall be located
13 has certified to the Board the following:

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

16 (ii) that the applicant and the corporate authority or
17 county board have mutually agreed on the permanent
18 location of the riverboat or casino;

19 (iii) that the applicant and the corporate authority
20 or county board have mutually agreed on the temporary
21 location of the riverboat or casino;

22 (iv) that the applicant and the corporate authority or
23 the county board have mutually agreed on the percentage of
24 revenues that will be shared with the municipality or
25 county, if any;

26 (v) that the applicant and the corporate authority or

1 county board have mutually agreed on any zoning,
2 licensing, public health, or other issues that are within
3 the jurisdiction of the municipality or county;

4 (vi) that the corporate authority or county board has
5 passed a resolution or ordinance in support of the
6 riverboat or casino in the municipality or county;

7 (vii) the applicant for a license under paragraph (1)
8 has made a public presentation concerning its casino
9 proposal; and

10 (viii) the applicant for a license under paragraph (1)
11 has prepared a summary of its casino proposal and such
12 summary has been posted on a public website of the
13 municipality or the county.

14 At least 7 days before the corporate authority of a
15 municipality or county board of the county submits a
16 certification to the Board concerning items (i) through (viii)
17 of this subsection, it shall hold a public hearing to discuss
18 items (i) through (viii), as well as any other details
19 concerning the proposed riverboat or casino in the
20 municipality or county. The corporate authority or county
21 board must subsequently memorialize the details concerning the
22 proposed riverboat or casino in a resolution that must be
23 adopted by a majority of the corporate authority or county
24 board before any certification is sent to the Board. The Board
25 shall not alter, amend, change, or otherwise interfere with
26 any agreement between the applicant and the corporate

1 authority of the municipality or county board of the county
2 regarding the location of any temporary or permanent facility.

3 In addition, within 10 days after June 28, 2019 (the
4 effective date of Public Act 101-31), the Board, with consent
5 and at the expense of the City of Chicago, shall select and
6 retain the services of a nationally recognized casino gaming
7 feasibility consultant. Within 45 days after June 28, 2019
8 (the effective date of Public Act 101-31), the consultant
9 shall prepare and deliver to the Board a study concerning the
10 feasibility of, and the ability to finance, a casino in the
11 City of Chicago. The feasibility study shall be delivered to
12 the Mayor of the City of Chicago, the Governor, the President
13 of the Senate, and the Speaker of the House of
14 Representatives. Ninety days after receipt of the feasibility
15 study, the Board shall make a determination, based on the
16 results of the feasibility study, whether to recommend to the
17 General Assembly that the terms of the license under paragraph
18 (1) of this subsection (e-5) should be modified. The Board may
19 begin accepting applications for the owners license under
20 paragraph (1) of this subsection (e-5) upon the determination
21 to issue such an owners license.

22 In addition, prior to the Board issuing the owners license
23 authorized under paragraph (4) of subsection (e-5), an impact
24 study shall be completed to determine what location in the
25 city will provide the greater impact to the region, including
26 the creation of jobs and the generation of tax revenue.

1 (e-10) The licenses authorized under subsection (e-5) of
2 this Section shall be issued within 12 months after the date
3 the license application is submitted. If the Board does not
4 issue the licenses within that time period, then the Board
5 shall give a written explanation to the applicant as to why it
6 has not reached a determination and when it reasonably expects
7 to make a determination. The fee for the issuance or renewal of
8 a license issued pursuant to this subsection (e-10) shall be
9 \$250,000. Additionally, a licensee located outside of Cook
10 County shall pay a minimum initial fee of \$17,500 per gaming
11 position, and a licensee located in Cook County shall pay a
12 minimum initial fee of \$30,000 per gaming position. The
13 initial fees payable under this subsection (e-10) shall be
14 deposited into the Rebuild Illinois Projects Fund. If at any
15 point after June 1, 2020 there are no pending applications for
16 a license under subsection (e-5) and not all licenses
17 authorized under subsection (e-5) have been issued, then the
18 Board shall reopen the license application process for those
19 licenses authorized under subsection (e-5) that have not been
20 issued. The Board shall follow the licensing process provided
21 in subsection (e-5) with all time frames tied to the last date
22 of a final order issued by the Board under subsection (e-5)
23 rather than the effective date of the amendatory Act.

24 (e-15) Each licensee of a license authorized under
25 subsection (e-5) of this Section shall make a reconciliation
26 payment 3 years after the date the licensee begins operating

1 in an amount equal to 75% of the adjusted gross receipts for
2 the most lucrative 12-month period of operations, minus an
3 amount equal to the initial payment per gaming position paid
4 by the specific licensee. Each licensee shall pay a
5 \$15,000,000 reconciliation fee upon issuance of an owners
6 license. If this calculation results in a negative amount,
7 then the licensee is not entitled to any reimbursement of fees
8 previously paid. This reconciliation payment may be made in
9 installments over a period of no more than 6 years.

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

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

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

24 (g) Upon the termination, expiration, or revocation of
25 each of the first 10 licenses, which shall be issued for a
26 3-year period, all licenses are renewable annually upon

1 payment of the fee and a determination by the Board that the
2 licensee continues to meet all of the requirements of this Act
3 and the Board's rules. However, for licenses renewed on or
4 after May 1, 1998, renewal shall be for a period of 4 years,
5 unless the Board sets a shorter period.

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

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

1 licensee authorized under subsection (e) shall be paid by July
2 1, 2021.

3 Each owners licensee under subsection (e) of this Section
4 shall reserve its gaming positions within 30 days after June
5 28, 2019 (the effective date of Public Act 101-31). The Board
6 may grant an extension to this 30-day period, provided that
7 the owners licensee submits a written request and explanation
8 as to why it is unable to reserve its positions within the
9 30-day period.

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

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

25 (h-5) An owners licensee who conducted gambling operations
26 prior to January 1, 2012 and obtains positions pursuant to

1 Public Act 101-31 shall make a reconciliation payment 3 years
2 after any additional gaming positions begin operating in an
3 amount equal to 75% of the owners licensee's average gross
4 receipts for the most lucrative 12-month period of operations
5 minus an amount equal to the initial fee that the owners
6 licensee paid per additional gaming position. For purposes of
7 this subsection (h-5), "average gross receipts" means (i) the
8 increase in adjusted gross receipts for the most lucrative
9 12-month period of operations over the adjusted gross receipts
10 for 2019, multiplied by (ii) the percentage derived by
11 dividing the number of additional gaming positions that an
12 owners licensee had obtained by the total number of gaming
13 positions operated by the owners licensee. If this calculation
14 results in a negative amount, then the owners licensee is not
15 entitled to any reimbursement of fees previously paid. This
16 reconciliation payment may be made in installments over a
17 period of no more than 6 years. These reconciliation payments
18 shall be deposited into the Rebuild Illinois Projects Fund.

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

1 to such sales aboard the riverboat or in the casino.

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

14 (k) An owners licensee may conduct land-based gambling
15 operations upon approval by the Board and payment of a fee of
16 \$250,000, which shall be deposited into the State Gaming Fund.

17 (l) An owners licensee may conduct gaming at a temporary
18 facility pending the construction of a permanent facility or
19 the remodeling or relocation of an existing facility to
20 accommodate gaming participants for up to 24 months after the
21 temporary facility begins to conduct gaming. Upon request by
22 an owners licensee and upon a showing of good cause by the
23 owners licensee, the Board shall extend the period during
24 which the licensee may conduct gaming at a temporary facility
25 by up to 12 months. The Board shall make rules concerning the
26 conduct of gaming from temporary facilities.

1 (Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18;
2 101-31, eff. 6-28-19; 101-648, eff. 6-30-20; revised
3 8-19-20.)".