



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4112

Introduced 5/31/2007, by Rep. Michael J. Madigan - Tom Cross

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7	from Ch. 120, par. 2407
230 ILCS 10/13	from Ch. 120, par. 2413
30 ILCS 105/5.675 new	

Amends the Riverboat Gambling Act. Provides that the Illinois Gaming Board shall offer a total of 6,000 gaming positions, in blocks of 250 each, pursuant to an open and competitive bidding process. Provides that any person may bid and be awarded the gaming positions, regardless of whether the person is an owners licensee under the Act, but a gaming position so acquired must be in use on the riverboat of an existing licensee within 2 years after the purchase of the gaming position or the gaming position reverts back to the Board, and the Board may re-issue the gaming position in the same manner. Sets forth criteria under which a person may be ineligible for positions. Provides that a person who knowingly makes a false statement on an application to obtain a position is guilty of a Class A misdemeanor. Allows for the sale, lease, or transfer of positions, subject to Board approval of the purchaser or transferee and the terms of the sale, lease, or transfer. Provides that all tax revenues attributable to the adjusted gross receipts of those positions shall be deposited into the Building Illinois for Tomorrow Fund. Requires owners licensees to pay into the Horse Racing Equity Trust Fund an amount equal to 1% of adjusted gross receipts from the new positions. Makes other changes. Amends the State Finance Act to create the Build Illinois for Tomorrow Fund. Effective immediately.

LRB095 12405 AMC 37467 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 Riverboat Gambling Act is amended by
5 changing Sections 7 and 13 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, firms
9 or corporations which apply for such licenses upon payment to
10 the Board of the non-refundable license fee set by the Board,
11 upon payment of a \$25,000 license fee for the first year of
12 operation and a \$5,000 license fee for each succeeding year and
13 upon a determination by the Board that the applicant is
14 eligible for an owners license pursuant to this Act and the
15 rules of the Board. From May 26, 2006 (For a period of 2 years
16 beginning on the effective date of Public Act 94-804) until the
17 effective date of this amendatory Act of the 95th General
18 Assembly ~~this amendatory Act of the 94th General Assembly~~, as a
19 condition of licensure and as an alternative source of payment
20 for those funds payable under subsection (c-5) of Section 13 of
21 the Riverboat Gambling Act, any owners licensee that holds or
22 receives its owners license on or after the effective date of
23 this amendatory Act of the 94th General Assembly, other than an

1 owners licensee operating a riverboat with adjusted gross
2 receipts in calendar year 2004 of less than \$200,000,000, must
3 pay into the Horse Racing Equity Trust Fund, in addition to any
4 other payments required under this Act, an amount equal to 3%
5 of the adjusted gross receipts received by the owners licensee.
6 Beginning on the effective date of this amendatory Act of the
7 95th General Assembly, as a condition of licensure and as an
8 alternative source of payment for those funds available under
9 subsection (c-5) of Section 13, any owners licensee that holds
10 its owners license on or after the effective date of this
11 amendatory Act of the 95th General Assembly must pay into the
12 Horse Racing Equity Trust Fund, in addition to any other
13 payments required under this Act, an amount equal to 1% of
14 adjusted gross receipts from positions authorized under
15 subsection (h-5) of this Section. The adjusted gross receipts
16 of a licensed owner payable into the Horse Racing Equity Trust
17 Fund shall be computed for any tax reporting period in the
18 following manner: the number of positions of the licensed owner
19 initially offered by the Board under the authority of
20 subsection (h-5) of Section 7 shall be divided by the total
21 number of positions of the licensed owner, and this number
22 shall be multiplied by the total adjusted gross receipts of the
23 licensed owner during the tax reporting period.

24 The payments required under this Section shall be made by
25 the owners licensee to the State Treasurer no later than 3:00
26 o'clock p.m. of the day after the day when the adjusted gross

1 receipts were received by the owners licensee. A person, firm
2 or corporation is ineligible to receive an owners license if:

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

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

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

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

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

14 (6) the firm or corporation employs a person defined in
15 (1), (2), (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, firm or corporation issued
20 under this Act, or a license to own or operate gambling
21 facilities in any other jurisdiction, has been revoked.

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

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

1 (A) controls, directly or indirectly, such
2 applicant, or

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

6 (2) the facilities or proposed facilities for the
7 conduct of riverboat gambling;

8 (3) the highest prospective total revenue to be derived
9 by the State from the conduct of riverboat gambling;

10 (4) the extent to which the ownership of the applicant
11 reflects the diversity of the State by including minority
12 persons and females and the good faith affirmative action
13 plan of each applicant to recruit, train and upgrade
14 minority persons and females in all employment
15 classifications;

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

18 (6) whether the applicant has adequate capitalization
19 to provide and maintain, for the duration of a license, a
20 riverboat;

21 (7) the extent to which the applicant exceeds or meets
22 other standards for the issuance of an owners license which
23 the Board may adopt by rule; and

24 (8) The amount of the applicant's license bid.

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

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

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

1 benefit which riverboat gambling confers on the State, and
2 shall seek to assure that all regions of the State share in the
3 economic benefits of riverboat gambling.

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

17 In addition to any other revocation powers granted to the
18 Board under this Act, the Board may revoke the owners license
19 of a licensee which fails to begin conducting gambling within
20 15 months of receipt of the Board's approval of the application
21 if the Board determines that license revocation is in the best
22 interests of the State.

23 (f) The first 10 owners licenses issued under this Act
24 shall permit the holder to own up to 2 riverboats and equipment
25 thereon for a period of 3 years after the effective date of the
26 license. Holders of the first 10 owners licenses must pay the

1 annual license fee for each of the 3 years during which they
2 are authorized to own riverboats.

3 (g) Upon the termination, expiration, or revocation of each
4 of the first 10 licenses, which shall be issued for a 3 year
5 period, all licenses are renewable annually upon payment of the
6 fee and a determination by the Board that the licensee
7 continues to meet all of the requirements of this Act and the
8 Board's rules. However, for licenses renewed on or after May 1,
9 1998, renewal shall be for a period of 4 years, unless the
10 Board sets a shorter period.

11 (h) An owners license shall entitle the licensee to own up
12 to 2 riverboats. A licensee shall limit the number of gaming
13 positions ~~gambling participants~~ to 1,200 for any such owners
14 license, plus any gaming positions acquired as a result of
15 subsection (h-5). A licensee may operate both of its riverboats
16 concurrently, provided that the total number of gaming
17 positions ~~gambling participants~~ on both riverboats does not
18 exceed those gaming positions authorized under this subsection
19 (h) and subsection (h-5) 1,200. Riverboats licensed to operate
20 on the Mississippi River and the Illinois River south of
21 Marshall County shall have an authorized capacity of at least
22 500 persons. Any other riverboat licensed under this Act shall
23 have an authorized capacity of at least 400 persons.

24 (h-5) As soon as practical after the effective date of this
25 amendatory Act of the 95th General Assembly, the Board shall
26 offer a total of 6,000 gaming positions, in blocks of 250 each,

1 pursuant to an open and competitive bidding process. All
2 persons whose applications to bid are accepted by the Board
3 under subsection (h-6) may participate in the bidding process.
4 At each bidding level, the Board shall publicly disclose the
5 names of the bidders and their venture partners. The bidding
6 process shall occur promptly after the Board has approved or
7 disapproved as a bidder all persons that have timely submitted
8 their names to the Board as provided by subsection (h-6). The
9 Board shall promulgate emergency rules and establish
10 procedures governing the bidding process. Any person may bid
11 and be awarded the gaming positions, regardless of whether the
12 person is an owners licensee under this Act. However, a gaming
13 position acquired under this subsection must be in use on the
14 riverboat of an owners licensee within 2 years after the
15 purchase of the gaming position or the gaming position reverts
16 back to the Board, and the Board may re-issue the gaming
17 position pursuant to the process provided in this subsection
18 (h-5). Once the gaming position is in use on a riverboat, the
19 gaming position shall be treated as any other gaming position
20 on the riverboat for the purposes of regulation and computation
21 of adjusted gross receipts under this Act. Payment for all
22 gaming positions sold under this subsection shall be made to
23 the Board within 90 days after the date of a successful bid.
24 Except as provided in subsection (h-8), a person who purchases
25 a gaming position that is not in use on the riverboat of an
26 existing licensee within 2 years after the purchase of the

1 gaming position shall be eligible for reimbursement for the
2 value of the position up to \$100,000 for the position, payable
3 out of the State Gaming Fund.

4 (h-6) No person shall be allowed to bid on a gaming
5 position under the provisions of subsection (h-5) without
6 receiving prior Board approval to engage in such bidding.
7 Persons seeking to bid shall submit a bidding application to
8 the Board under procedures established by the Board. The
9 deadline for application shall be 60 days after the effective
10 date of this amendatory Act of the 95th General Assembly. In
11 its investigations and evaluations of persons applying under
12 this subsection, the Board shall have all powers applicable to
13 applicants for licenses under Section 5 of this Act. In
14 determining whether to grant a person approval to engage in
15 bidding under subsection (h-5), the Board shall consider: (A)
16 the character, reputation, and financial integrity of the
17 person and of any other person that (i) controls, directly or
18 indirectly, the person, (ii) is controlled, directly or
19 indirectly, by the person or by a person that controls,
20 directly or indirectly, the person; (iii) is a venture partner
21 of the person, or (iv) is a key person of the person, as
22 defined by Board rules; (B) the ability of the person to make
23 timely payment of the full amount of a successful bid; and (C)
24 such other criteria as the Board may establish by rule to
25 ensure maintenance of the credibility and integrity of gambling
26 operations and the regulatory process. A person is ineligible

1 to bid for positions under subsection (h-5) if: (i) the person
2 has been convicted of a felony offense, a violation of Article
3 28 of the Criminal Code of 1961 or a similar statute of any
4 jurisdiction, or a crime involving dishonesty or moral
5 turpitude; (ii) the person makes a false statement on the
6 application, or has submitted an application for a license
7 under this Act that contains false information; (iii) the
8 person has had any license issued under this Act or a license
9 to own, operate, supply, or be employed by gambling facilities
10 in any other jurisdiction revoked, suspended for disciplinary
11 reasons, or involuntarily non-renewed; (iv) the person is a
12 member of the Board; (v) the person has engaged in spin-off or
13 contingent vendor activity prohibited under subsection (h-7);
14 or (vi) the person is an entity within which a person defined
15 in item (i), (ii), (iii), (iv), or (v) is an officer, director,
16 or managerial employee. The Board shall publicly disclose the
17 names of persons, and their venture partners, who apply to bid
18 for positions authorized under subsection (h-5) and of persons,
19 and their venture partners, who are approved for bidding. A
20 person who knowingly makes a false statement on an application
21 to obtain a position as authorized by subsection (h-5) is
22 guilty of a Class A misdemeanor.

23 (h-7) A gaming position awarded under subsection (h-5) may
24 be subsequently sold, leased, or transferred, including by
25 inheritance, except that no sale or transfer shall occur until:
26 (i) the Board has approved the purchaser or transferee under

1 the criteria of subsection (h-6) and (ii) the Board has
2 approved the terms of the sale, lease, or transfer. In
3 approving or disapproving a sale, lease, or transfer, the Board
4 shall have all powers applicable to other transactions subject
5 to its approval under Section 5 of this Act. When the purchaser
6 or transferee is a current licensee under this Act, and the
7 Board has not decided that the licensee no longer meets the
8 criteria for license approval, then the Board's prior license
9 approval shall be sufficient for approval under this
10 subsection, except that the criteria for license approval must
11 encompass all of the criteria of subsection (h-6). There shall
12 be no spin-off or contingent vendor activity associated with
13 the attempted or actual purchase or transfer of a gaming
14 position authorized by subsection (h-5). For purposes of this
15 subsection, "spin-off or contingent vendor activity" means any
16 bundling or linkage of the sale or transfer of a gaming
17 position with one or more supplier or service contracts, or
18 portions thereof.

19 (h-8) The Board shall have a continuing authority and duty
20 to ensure that persons holding positions awarded under
21 subsection (h-5) comply with the criteria for bidding
22 authorization established under subsection (h-6), and the
23 prohibition against spin-off or contingent vendor activity
24 established under subsection (h-7). In exercising this
25 authority and duty, the Board may obtain information from any
26 source, conduct investigations and hearings, and exercise any

1 of its powers applicable to licensees under Section 5 of this
2 Act. The Board may revoke the ownership of a person that it
3 finds, following hearing, to be an unsuitable owner under the
4 criteria of subsection (h-6). The Board must revoke the
5 ownership of a person that the Board finds to have been
6 convicted of a felony offense, a violation of Article 28 of the
7 Criminal Code of 1961 or a similar statute of any jurisdiction,
8 or a crime involving dishonesty or moral turpitude, to have
9 violated the prohibition against spin-off or contingent vendor
10 activity under subsection (h-7), to have engaged in collusive
11 activity that is intended to impair, or has the effect of
12 impairing, the effective bidding for or use of a position, or
13 to have made a false statement to the Board in connection with
14 this or any other application. A person whose ownership of a
15 position is revoked under this subsection shall not be eligible
16 for reimbursement for the revoked position, notwithstanding
17 the provisions of subsection (h-5).

18 (h-9) A licensed owner shall have full operational control
19 of a position authorized under subsection (h-5) that is in use
20 at one of its licensed gaming facilities and, with respect to
21 the use of the position, must comply with all provisions of
22 this Act, Board rules, and the Minimum Internal Operating
23 Standards promulgated by the Board.

24 (h-10) Any collusive activity by a licensee that is
25 intended to, or has the effect of, impairing the effective
26 bidding for, or use of, a position, shall be grounds for

1 disciplinary action by the Board against the licensee. If the
2 Board finds that a violation of this subsection has occurred,
3 it may impose any penalty authorized against licensees under
4 Section 5 of this Act.

5 (i) A licensed owner is authorized to apply to the Board
6 for and, if approved therefor, to receive all licenses from the
7 Board necessary for the operation of a riverboat, including a
8 liquor license, a license to prepare and serve food for human
9 consumption, and other necessary licenses. All use, occupation
10 and excise taxes which apply to the sale of food and beverages
11 in this State and all taxes imposed on the sale or use of
12 tangible personal property apply to such sales aboard the
13 riverboat.

14 (j) The Board may issue or re-issue a license authorizing a
15 riverboat to dock in a municipality or approve a relocation
16 under Section 11.2 only if, prior to the issuance or
17 re-issuance of the license or approval, the governing body of
18 the municipality in which the riverboat will dock has by a
19 majority vote approved the docking of riverboats in the
20 municipality. The Board may issue or re-issue a license
21 authorizing a riverboat to dock in areas of a county outside
22 any municipality or approve a relocation under Section 11.2
23 only if, prior to the issuance or re-issuance of the license or
24 approval, the governing body of the county has by a majority
25 vote approved of the docking of riverboats within such areas.

26 (Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667,

1 eff. 8-23-05; 94-804, eff. 5-26-06.)

2 (230 ILCS 10/13) (from Ch. 120, par. 2413)

3 Sec. 13. Wagering tax; rate; distribution.

4 (a) Until January 1, 1998, a tax is imposed on the adjusted
5 gross receipts received from gambling games authorized under
6 this Act at the rate of 20%.

7 (a-1) From January 1, 1998 until July 1, 2002, a privilege
8 tax is imposed on persons engaged in the business of conducting
9 riverboat gambling operations, based on the adjusted gross
10 receipts received by a licensed owner from gambling games
11 authorized under this Act at the following rates:

12 15% of annual adjusted gross receipts up to and
13 including \$25,000,000;

14 20% of annual adjusted gross receipts in excess of
15 \$25,000,000 but not exceeding \$50,000,000;

16 25% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 30% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 35% of annual adjusted gross receipts in excess of
21 \$100,000,000.

22 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
23 is imposed on persons engaged in the business of conducting
24 riverboat gambling operations, other than licensed managers
25 conducting riverboat gambling operations on behalf of the

1 State, based on the adjusted gross receipts received by a
2 licensed owner from gambling games authorized under this Act at
3 the following rates:

4 15% of annual adjusted gross receipts up to and
5 including \$25,000,000;

6 22.5% of annual adjusted gross receipts in excess of
7 \$25,000,000 but not exceeding \$50,000,000;

8 27.5% of annual adjusted gross receipts in excess of
9 \$50,000,000 but not exceeding \$75,000,000;

10 32.5% of annual adjusted gross receipts in excess of
11 \$75,000,000 but not exceeding \$100,000,000;

12 37.5% of annual adjusted gross receipts in excess of
13 \$100,000,000 but not exceeding \$150,000,000;

14 45% of annual adjusted gross receipts in excess of
15 \$150,000,000 but not exceeding \$200,000,000;

16 50% of annual adjusted gross receipts in excess of
17 \$200,000,000.

18 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
19 persons engaged in the business of conducting riverboat
20 gambling operations, other than licensed managers conducting
21 riverboat gambling operations on behalf of the State, based on
22 the adjusted gross receipts received by a licensed owner from
23 gambling games authorized under this Act at the following
24 rates:

25 15% of annual adjusted gross receipts up to and
26 including \$25,000,000;

1 27.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$37,500,000;

3 32.5% of annual adjusted gross receipts in excess of
4 \$37,500,000 but not exceeding \$50,000,000;

5 37.5% of annual adjusted gross receipts in excess of
6 \$50,000,000 but not exceeding \$75,000,000;

7 45% of annual adjusted gross receipts in excess of
8 \$75,000,000 but not exceeding \$100,000,000;

9 50% of annual adjusted gross receipts in excess of
10 \$100,000,000 but not exceeding \$250,000,000;

11 70% of annual adjusted gross receipts in excess of
12 \$250,000,000.

13 An amount equal to the amount of wagering taxes collected
14 under this subsection (a-3) that are in addition to the amount
15 of wagering taxes that would have been collected if the
16 wagering tax rates under subsection (a-2) were in effect shall
17 be paid into the Common School Fund.

18 The privilege tax imposed under this subsection (a-3) shall
19 no longer be imposed beginning on the earlier of (i) July 1,
20 2005; (ii) the first date after June 20, 2003 that riverboat
21 gambling operations are conducted pursuant to a dormant
22 license; or (iii) the first day that riverboat gambling
23 operations are conducted under the authority of an owners
24 license that is in addition to the 10 owners licenses initially
25 authorized under this Act. For the purposes of this subsection
26 (a-3), the term "dormant license" means an owners license that

1 is authorized by this Act under which no riverboat gambling
2 operations are being conducted on June 20, 2003.

3 (a-4) Beginning on the first day on which the tax imposed
4 under subsection (a-3) is no longer imposed, a privilege tax is
5 imposed on persons engaged in the business of conducting
6 riverboat gambling operations, other than licensed managers
7 conducting riverboat gambling operations on behalf of the
8 State, based on the adjusted gross receipts received by a
9 licensed owner from gambling games authorized under this Act at
10 the following rates:

11 15% of annual adjusted gross receipts up to and
12 including \$25,000,000;

13 22.5% of annual adjusted gross receipts in excess of
14 \$25,000,000 but not exceeding \$50,000,000;

15 27.5% of annual adjusted gross receipts in excess of
16 \$50,000,000 but not exceeding \$75,000,000;

17 32.5% of annual adjusted gross receipts in excess of
18 \$75,000,000 but not exceeding \$100,000,000;

19 37.5% of annual adjusted gross receipts in excess of
20 \$100,000,000 but not exceeding \$150,000,000;

21 45% of annual adjusted gross receipts in excess of
22 \$150,000,000 but not exceeding \$200,000,000;

23 50% of annual adjusted gross receipts in excess of
24 \$200,000,000.

25 (a-8) Riverboat gambling operations conducted by a
26 licensed manager on behalf of the State are not subject to the

1 tax imposed under this Section.

2 (a-10) The taxes imposed by this Section shall be paid by
3 the licensed owner to the Board not later than 3:00 o'clock
4 p.m. of the day after the day when the wagers were made.

5 (a-15) If the privilege tax imposed under subsection (a-3)
6 is no longer imposed pursuant to item (i) of the last paragraph
7 of subsection (a-3), then by June 15 of each year, each owners
8 licensee, other than an owners licensee that admitted 1,000,000
9 persons or fewer in calendar year 2004, must, in addition to
10 the payment of all amounts otherwise due under this Section,
11 pay to the Board a reconciliation payment in the amount, if
12 any, by which the licensed owner's base amount exceeds the
13 amount of net privilege tax paid by the licensed owner to the
14 Board in the then current State fiscal year. A licensed owner's
15 net privilege tax obligation due for the balance of the State
16 fiscal year shall be reduced up to the total of the amount paid
17 by the licensed owner in its June 15 reconciliation payment.
18 The obligation imposed by this subsection (a-15) is binding on
19 any person, firm, corporation, or other entity that acquires an
20 ownership interest in any such owners license. The obligation
21 imposed under this subsection (a-15) terminates on the earliest
22 of: (i) July 1, 2007, (ii) the first day after the effective
23 date of this amendatory Act of the 94th General Assembly that
24 riverboat gambling operations are conducted pursuant to a
25 dormant license, (iii) the first day that riverboat gambling
26 operations are conducted under the authority of an owners

1 license that is in addition to the 10 owners licenses initially
2 authorized under this Act, or (iv) the first day that a
3 licensee under the Illinois Horse Racing Act of 1975 conducts
4 gaming operations with slot machines or other electronic gaming
5 devices. The Board must reduce the obligation imposed under
6 this subsection (a-15) by an amount the Board deems reasonable
7 for any of the following reasons: (A) an act or acts of God,
8 (B) an act of bioterrorism or terrorism or a bioterrorism or
9 terrorism threat that was investigated by a law enforcement
10 agency, or (C) a condition beyond the control of the owners
11 licensee that does not result from any act or omission by the
12 owners licensee or any of its agents and that poses a hazardous
13 threat to the health and safety of patrons. If an owners
14 licensee pays an amount in excess of its liability under this
15 Section, the Board shall apply the overpayment to future
16 payments required under this Section.

17 For purposes of this subsection (a-15):

18 "Act of God" means an incident caused by the operation of
19 an extraordinary force that cannot be foreseen, that cannot be
20 avoided by the exercise of due care, and for which no person
21 can be held liable.

22 "Base amount" means the following:

23 For a riverboat in Alton, \$31,000,000.

24 For a riverboat in East Peoria, \$43,000,000.

25 For the Empress riverboat in Joliet, \$86,000,000.

26 For a riverboat in Metropolis, \$45,000,000.

1 For the Harrah's riverboat in Joliet, \$114,000,000.

2 For a riverboat in Aurora, \$86,000,000.

3 For a riverboat in East St. Louis, \$48,500,000.

4 For a riverboat in Elgin, \$198,000,000.

5 "Dormant license" has the meaning ascribed to it in
6 subsection (a-3).

7 "Net privilege tax" means all privilege taxes paid by a
8 licensed owner to the Board under this Section, less all
9 payments made from the State Gaming Fund pursuant to subsection
10 (b) of this Section.

11 The changes made to this subsection (a-15) by Public Act
12 94-839 ~~this amendatory Act of the 94th General Assembly~~ are
13 intended to restate and clarify the intent of Public Act 94-673
14 with respect to the amount of the payments required to be made
15 under this subsection by an owners licensee to the Board.

16 (b) Until January 1, 1998, 25% of the tax revenue deposited
17 in the State Gaming Fund under this Section shall be paid,
18 subject to appropriation by the General Assembly, to the unit
19 of local government which is designated as the home dock of the
20 riverboat. Beginning January 1, 1998, from the tax revenue
21 deposited in the State Gaming Fund under this Section, an
22 amount equal to 5% of adjusted gross receipts generated by a
23 riverboat shall be paid monthly, subject to appropriation by
24 the General Assembly, to the unit of local government that is
25 designated as the home dock of the riverboat. From the tax
26 revenue deposited in the State Gaming Fund pursuant to

1 riverboat gambling operations conducted by a licensed manager
2 on behalf of the State, an amount equal to 5% of adjusted gross
3 receipts generated pursuant to those riverboat gambling
4 operations shall be paid monthly, subject to appropriation by
5 the General Assembly, to the unit of local government that is
6 designated as the home dock of the riverboat upon which those
7 riverboat gambling operations are conducted.

8 (c) Appropriations, as approved by the General Assembly,
9 may be made from the State Gaming Fund to the Department of
10 Revenue and the Department of State Police for the
11 administration and enforcement of this Act, or to the
12 Department of Human Services for the administration of programs
13 to treat problem gambling.

14 (c-5) Before May 26, 2006 (the effective date of Public Act
15 94-804) ~~this amendatory Act of the 94th General Assembly~~ and
16 beginning 2 years after May 26, 2006 (the effective date of
17 Public Act 94-804) ~~this amendatory Act of the 94th General~~
18 ~~Assembly~~, after the payments required under subsections (b) and
19 (c) have been made, an amount equal to 15% of the adjusted
20 gross receipts of (1) an owners licensee that relocates
21 pursuant to Section 11.2, (2) an owners licensee conducting
22 riverboat gambling operations pursuant to an owners license
23 that is initially issued after June 25, 1999, or (3) the first
24 riverboat gambling operations conducted by a licensed manager
25 on behalf of the State under Section 7.3, whichever comes
26 first, shall be paid from the State Gaming Fund into the Horse

1 Racing Equity Fund.

2 (c-10) Each year the General Assembly shall appropriate
3 from the General Revenue Fund to the Education Assistance Fund
4 an amount equal to the amount paid into the Horse Racing Equity
5 Fund pursuant to subsection (c-5) in the prior calendar year.

6 (c-15) After the payments required under subsections (b),
7 (c), and (c-5) have been made, an amount equal to 2% of the
8 adjusted gross receipts of (1) an owners licensee that
9 relocates pursuant to Section 11.2, (2) an owners licensee
10 conducting riverboat gambling operations pursuant to an owners
11 license that is initially issued after June 25, 1999, or (3)
12 the first riverboat gambling operations conducted by a licensed
13 manager on behalf of the State under Section 7.3, whichever
14 comes first, shall be paid, subject to appropriation from the
15 General Assembly, from the State Gaming Fund to each home rule
16 county with a population of over 3,000,000 inhabitants for the
17 purpose of enhancing the county's criminal justice system.

18 (c-20) Each year the General Assembly shall appropriate
19 from the General Revenue Fund to the Education Assistance Fund
20 an amount equal to the amount paid to each home rule county
21 with a population of over 3,000,000 inhabitants pursuant to
22 subsection (c-15) in the prior calendar year.

23 (c-25) After the payments required under subsections (b),
24 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
25 the adjusted gross receipts of (1) an owners licensee that
26 relocates pursuant to Section 11.2, (2) an owners licensee

1 conducting riverboat gambling operations pursuant to an owners
2 license that is initially issued after June 25, 1999, or (3)
3 the first riverboat gambling operations conducted by a licensed
4 manager on behalf of the State under Section 7.3, whichever
5 comes first, shall be paid from the State Gaming Fund to
6 Chicago State University.

7 (d) From time to time, the Board shall transfer the
8 remainder of the funds generated by this Act into the Education
9 Assistance Fund, created by Public Act 86-0018, of the State of
10 Illinois.

11 (e) Nothing in this Act shall prohibit the unit of local
12 government designated as the home dock of the riverboat from
13 entering into agreements with other units of local government
14 in this State or in other states to share its portion of the
15 tax revenue.

16 (e-1) Notwithstanding the provisions of subsections (a)
17 through (e) of this Section, all tax revenues attributable to
18 the adjusted gross receipts of positions offered by the Board
19 under the authority of subsection (h-5) of Section 7 shall be
20 deposited into the Building Illinois for Tomorrow Fund. The
21 adjusted gross receipts of a licensed owner payable into the
22 Building Illinois for Tomorrow Fund shall be computed for any
23 tax reporting period in the following manner: the number of
24 positions of the licensed owner initially offered by the Board
25 under the authority of subsection (h-5) of Section 7 shall be
26 divided by the total number of positions of the licensed owner,

1 and this number shall be multiplied by the total adjusted gross
2 receipts of the licensed owner during the tax reporting period.

3 (f) To the extent practicable, the Board shall administer
4 and collect the wagering taxes imposed by this Section in a
5 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
6 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
7 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
8 Penalty and Interest Act.

9 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,
10 eff. 8-23-05; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06;
11 revised 8-3-06.)

12 Section 10. The State Finance Act is amended by adding
13 Section 5.675 as follows:

14 (30 ILCS 105/5.675 new)

15 Sec. 5.675. The Build Illinois for Tomorrow Fund.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.