

HB3063



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3063

Introduced 2/24/2009, by Rep. Tom Cross

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Riverboat Gambling Act. Makes a technical change in a Section concerning owners licenses.

LRB096 07527 AMC 17622 b

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 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, 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 the effective date of this amendatory
16 Act of the 95th General Assembly until (i) 3 years after the
17 effective date of this amendatory Act of the 95th General
18 Assembly, (ii) the date any organization licensee begins to
19 operate a slot machine or video game of chance under the
20 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
21 that payments begin under subsection (c-5) of Section 13 of the
22 Act, or (iv) the wagering tax imposed under Section 13 of this
23 Act is increased by law to reflect a tax rate that is at least

1 as stringent or more stringent than the tax rate contained in
2 subsection (a-3) of Section 13, whichever occurs first, as a
3 condition of licensure and ~~and~~ as an alternative source of
4 payment for those funds payable under subsection (c-5) of
5 Section 13 of the Riverboat Gambling Act, any owners licensee
6 that holds or receives its owners license on or after the
7 effective date of this amendatory Act of the 94th General
8 Assembly, other than an owners licensee operating a riverboat
9 with adjusted gross receipts in calendar year 2004 of less than
10 \$200,000,000, must pay into the Horse Racing Equity Trust Fund,
11 in addition to any other payments required under this Act, an
12 amount equal to 3% of the adjusted gross receipts received by
13 the owners licensee. The payments required under this Section
14 shall be made by the owners licensee to the State Treasurer no
15 later than 3:00 o'clock p.m. of the day after the day when the
16 adjusted gross receipts were received by the owners licensee. A
17 person, firm or corporation is ineligible to receive an owners
18 license if:

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

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

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

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

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

4 (6) the firm or corporation employs a person defined in
5 (1), (2), (3) or (4) who participates in the management or
6 operation of gambling operations authorized under this
7 Act;

8 (7) (blank); or

9 (8) a license of the person, firm or corporation issued
10 under this Act, or a license to own or operate gambling
11 facilities in any other jurisdiction, has been revoked.

12 The Board is expressly prohibited from making changes to
13 the requirement that licensees make payment into the Horse
14 Racing Equity Trust Fund without the express authority of the
15 Illinois General Assembly and making any other rule to
16 implement or interpret this amendatory Act of the 95th General
17 Assembly. For the purposes of this paragraph, "rules" is given
18 the meaning given to that term in Section 1-70 of the Illinois
19 Administrative Procedure Act.

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

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

25 (A) controls, directly or indirectly, such
26 applicant, or

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

4 (2) the facilities or proposed facilities for the
5 conduct of riverboat gambling;

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

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

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

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

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

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

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

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

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

1 economic benefits of riverboat gambling.

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

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

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

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

9 (h) An owners license shall entitle the licensee to own up
10 to 2 riverboats. A licensee shall limit the number of gambling
11 participants to 1,200 for any such owners license. A licensee
12 may operate both of its riverboats concurrently, provided that
13 the total number of gambling participants on both riverboats
14 does not exceed 1,200. Riverboats licensed to operate on the
15 Mississippi River and the Illinois River south of Marshall
16 County shall have an authorized capacity of at least 500
17 persons. Any other riverboat licensed under this Act shall have
18 an authorized capacity of at least 400 persons.

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

1 riverboat.

2 (j) The Board may issue or re-issue a license authorizing a
3 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 (Source: P.A. 94-667, eff. 8-23-05; 94-804, eff. 5-26-06;
15 95-1008, eff. 12-15-08.)