

96TH GENERAL ASSEMBLY State of Illinois 2009 and 2010 HB5975

Introduced 2/10/2010, by Rep. William D. Burns - Mark H. Beaubien, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act. Authorizes the conduct of electronic gaming by an organization licensee under the Illinois Horse Racing Act of 1975 at a race track. Provides for administration and enforcement of electronic gaming by the Illinois Gaming Board. Pre-empts home rule with regards to the regulation and licensing of electronic gaming and electronic gaming licensees. Makes other changes. Amends various other Acts to make conforming changes. Effective immediately.

LRB096 20076 AMC 35597 b

FISCAL NOTE ACT MAY APPLY

HOME RULE NOTE ACT MAY APPLY

1 AN ACT concerning gaming.

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

- 4 Section 5. The Illinois Horse Racing Act of 1975 is amended
- 5 by changing Sections 1.2, 3.11, 9, 15, 15.1, 18, 19, 20, 24,
- 26, 28, 30, 31, and 31.1 and by adding Sections 3.31, 3.32, 6
- 3.33, 3.34, 3.35, and 56 as follows: 7
- (230 ILCS 5/1.2) 8
- 9 Sec. 1.2. Legislative intent. This Act is intended to
- benefit the people of the State of Illinois by encouraging the 10
- breeding and production of race horses, assisting economic 11
- 12 development and promoting Illinois tourism. The General
- Assembly finds and declares it to be the public policy of the 13
- 14 State of Illinois to:
- (a) support and enhance Illinois' horse racing industry, 15
- 16 which is a significant component within the agribusiness
- 17 industry;
- (b) ensure that Illinois' horse racing industry remains 18
- 19 competitive with neighboring states;
- 20 stimulate growth within Illinois' horse
- 21 industry, thereby encouraging new investment and development
- 22 to produce additional tax revenues and to create additional
- 23 jobs;

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- 1 (d) promote the further growth of tourism;
- 2 (e) encourage the breeding of thoroughbred and
- 3 standardbred horses in this State; and
- 4 (f) ensure that public confidence and trust in the
- 5 credibility and integrity of racing operations and the
- 6 regulatory process is maintained.
- 7 (Source: P.A. 91-40, eff. 6-25-99.)
- 8 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)
- 9 Sec. 3.11. "Organization Licensee" means any person
- 10 receiving an organization license from the Board to conduct a
- 11 race meeting or meetings. With respect only to electronic
- 12 gaming, "organization licensee" includes the authorization for
- an electronic gaming license under subsection (a) of Section 56
- of this Act.
- 15 (Source: P.A. 79-1185.)
- 16 (230 ILCS 5/3.31 new)
- 17 Sec. 3.31. Gross gaming receipts. "Gross gaming receipts"
- 18 means the whole gross receipts less winnings paid to wagerers
- and moneys paid to purse equity accounts.
- 20 (230 ILCS 5/3.32 new)
- 21 Sec. 3.32. Whole gaming receipts. "Whole gaming receipts"
- 22 means the total amount of money exchanged for the purchase of
- 23 chips, tokens, or electronic cards by riverboat patrons or

- 1 <u>electronic gaming patrons.</u>
- 2 (230 ILCS 5/3.33 new)
- 3 Sec. 3.33. Electronic gaming. "Electronic gaming" means
- 4 slot machine gambling, video game of chance gambling, or
- 5 gambling with electronic gambling games as defined in the
- 6 Riverboat Gambling Act that is conducted at a race track
- 7 pursuant to an electronic gaming license.
- 8 (230 ILCS 5/3.34 new)
- 9 Sec. 3.34. Electronic gaming license. "Electronic gaming
- 10 license" means a license to conduct electronic gaming issued
- 11 under Section 56 of this Act.
- 12 (230 ILCS 5/3.35 new)
- 13 Sec. 3.35. Electronic gaming facility. "Electronic gaming
- facility" means that portion of an organization licensee's race
- track facility at which electronic gaming is conducted.
- 16 (230 ILCS 5/9) (from Ch. 8, par. 37-9)
- 17 Sec. 9. The Board shall have all powers necessary and
- 18 proper to fully and effectively execute the provisions of this
- 19 Act, including, but not limited to, the following:
- 20 (a) The Board is vested with jurisdiction and supervision
- over all race meetings in this State, over all licensees doing
- 22 business in this State, over all occupation licensees, and over

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facilities 1 all persons on the of anv licensee. 2 jurisdiction shall include the power to issue licenses to the 3 Illinois Department of Agriculture authorizing the pari-mutuel system of wagering on harness and Quarter Horse races held (1) 5 at the Illinois State Fair in Sangamon County, and (2) at the 6 DuQuoin State Fair in Perry County. The jurisdiction of the 7 Board shall also include the power to issue licenses to county 8 fairs which are eligible to receive funds pursuant to the 9 Agricultural Fair Act, as now or hereafter amended, or their 10 agents, authorizing the pari-mutuel system of wagering on horse 11 races conducted at the county fairs receiving such licenses. 12 Such licenses shall be governed by subsection (n) of this 13 Section.

Upon application, the Board shall issue a license to the Illinois Department of Agriculture to conduct harness and Quarter Horse races at the Illinois State Fair and at the DuQuoin State Fairgrounds during the scheduled dates of each fair. The Board shall not require and the Department of Agriculture shall be exempt from the requirements of Sections 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5), (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24 and 25. The Board and the Department of Agriculture may extend any or all of these exemptions to any contractor or agent engaged by the Department of Agriculture to conduct its race meetings when the Board determines that this would best serve the public interest and the interest of horse racing.

Notwithstanding any provision of law to the contrary, it shall be lawful for any licensee to operate pari-mutuel wagering or contract with the Department of Agriculture to operate pari-mutuel wagering at the DuQuoin State Fairgrounds or for the Department to enter into contracts with a licensee, employ its owners, employees or agents and employ such other occupation licensees as the Department deems necessary in connection with race meetings and wagerings.

- (b) The Board is vested with the full power to promulgate reasonable rules and regulations for the purpose of administering the provisions of this Act and to prescribe reasonable rules, regulations and conditions under which all horse race meetings or wagering in the State shall be conducted. Such reasonable rules and regulations are to provide for the prevention of practices detrimental to the public interest and to promote the best interests of horse racing and to impose penalties for violations thereof.
- (c) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities and other places of business of any licensee to determine whether there has been compliance with the provisions of this Act and its rules and regulations.
- (d) The Board, and any person or persons to whom it delegates this power, is vested with the authority to investigate alleged violations of the provisions of this Act, its reasonable rules and regulations, orders and final

- decisions; the Board shall take appropriate disciplinary action against any licensee or occupation licensee for violation thereof or institute appropriate legal action for the
- 4 enforcement thereof.

- (e) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any race meeting or the facilities of any licensee, or any part thereof, any occupation licensee or any other individual whose conduct or reputation is such that his presence on those facilities may, in the opinion of the Board, call into question the honesty and integrity of horse racing or wagering or interfere with the orderly conduct of horse racing or wagering; provided, however, that no person shall be excluded or ejected from the facilities of any licensee solely on the grounds of race, color, creed, national origin, ancestry, or sex. The power to eject or exclude an occupation licensee or other individual may be exercised for just cause by the licensee or the Board, subject to subsequent hearing by the Board as to the propriety of said exclusion.
 - (f) The Board is vested with the power to acquire, establish, maintain and operate (or provide by contract to maintain and operate) testing laboratories and related facilities, for the purpose of conducting saliva, blood, urine and other tests on the horses run or to be run in any horse race meeting and to purchase all equipment and supplies deemed necessary or desirable in connection with any such testing

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- 1 laboratories and related facilities and all such tests.
- 2 (g) The Board may require that the records, including 3 financial or other statements of any licensee or any person affiliated with the licensee who is involved directly or 5 indirectly in the activities of any licensee as regulated under this Act to the extent that those financial or other statements 6 7 relate to such activities be kept in such manner as prescribed 8 by the Board, and that Board employees shall have access to 9 those records during reasonable business hours. Within 120 days 10 of the end of its fiscal year, each licensee shall transmit to 11 the Board an audit of the financial transactions and condition 12 of the licensee's total operations. All audits shall be conducted by certified public accountants. Each certified 13 14 public accountant must be registered in the State of Illinois 15 under the Illinois Public Accounting Act. The compensation for 16 each certified public accountant shall be paid directly by the 17 licensee to the certified public accountant. A licensee shall also submit any other financial or related information the 18 19 Board deems necessary to effectively administer this Act and 20 all rules, regulations, and final decisions promulgated under this Act. 21
 - (h) The Board shall name and appoint in the manner provided by the rules and regulations of the Board: an Executive Director; a State director of mutuels; State veterinarians and representatives to take saliva, blood, urine and other tests on horses; licensing personnel; revenue inspectors; and State

- seasonal employees (excluding admission ticket sellers and mutuel clerks). All of those named and appointed as provided in this subsection shall serve during the pleasure of the Board; their compensation shall be determined by the Board and be paid in the same manner as other employees of the Board under this Act.
 - (i) The Board shall require that there shall be 3 stewards at each horse race meeting, at least 2 of whom shall be named and appointed by the Board. Stewards appointed or approved by the Board, while performing duties required by this Act or by the Board, shall be entitled to the same rights and immunities as granted to Board members and Board employees in Section 10 of this Act.
 - (j) The Board may discharge any Board employee who fails or refuses for any reason to comply with the rules and regulations of the Board, or who, in the opinion of the Board, is guilty of fraud, dishonesty or who is proven to be incompetent. The Board shall have no right or power to determine who shall be officers, directors or employees of any licensee, or their salaries except the Board may, by rule, require that all or any officials or employees in charge of or whose duties relate to the actual running of races be approved by the Board.
 - (k) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this Act and any rules or regulations promulgated in accordance with this Act.

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- (1) The Board is vested with the power to impose civil penalties of up to \$5,000 against an individual and up to \$10,000 against a licensee for each violation of any provision of this Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to horse racing or wagering. All such civil penalties shall be deposited into the Horse Racing Fund.
- (m) The Board is vested with the power to prescribe a form to be used by licensees as an application for employment for employees of each licensee.
- (n) The Board shall have the power to issue a license to any county fair, or its agent, authorizing the conduct of the pari-mutuel system of wagering. The Board is vested with the full power to promulgate reasonable rules, regulations and conditions under which all horse race meetings licensed pursuant to this subsection shall be held and conducted, including rules, regulations and conditions for the conduct of the pari-mutuel system of wagering. The rules, regulations and conditions shall provide for the prevention of practices detrimental to the public interest and for the best interests of horse racing, and shall prescribe penalties for violations thereof. Any authority granted the Board under this Act shall extend to its jurisdiction and supervision over county fairs, or their agents, licensed pursuant to this subsection. However, the Board may waive any provision of this Act or its rules or regulations which would otherwise apply to such county fairs or

- 1 their agents.
- 2 (o) Whenever the Board is authorized or required by law to
- 3 consider some aspect of criminal history record information for
- 4 the purpose of carrying out its statutory powers and
- 5 responsibilities, then, upon request and payment of fees in
- 6 conformance with the requirements of Section 2605-400 of the
- 7 Department of State Police Law (20 ILCS 2605/2605-400), the
- 8 Department of State Police is authorized to furnish, pursuant
- 9 to positive identification, such information contained in
- 10 State files as is necessary to fulfill the request.
- 11 (p) To insure the convenience, comfort, and wagering
- 12 accessibility of race track patrons, to provide for the
- 13 maximization of State revenue, and to generate increases in
- 14 purse allotments to the horsemen, the Board shall require any
- 15 licensee to staff the pari-mutuel department with adequate
- 16 personnel.
- 17 (Source: P.A. 91-239, eff. 1-1-00.)
- 18 (230 ILCS 5/15) (from Ch. 8, par. 37-15)
- 19 Sec. 15. (a) The Board shall, in its discretion, issue
- 20 occupation licenses to horse owners, trainers, harness
- 21 drivers, jockeys, agents, apprentices, grooms, stable foremen,
- 22 exercise persons, veterinarians, valets, blacksmiths,
- concessionaires and others designated by the Board whose work,
- in whole or in part, is conducted upon facilities within the
- 25 State. Such occupation licenses will be obtained prior to the

license by the Board.

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persons engaging in their vocation upon such facilities. The 1 2 Board shall not license pari-mutuel clerks, parking 3 attendants, security guards and employees of concessionaires. No occupation license shall be required of any person who works 5 at facilities within this State as a pari-mutuel clerk, parking 6 security quard or as an employee 7 concessionaire. Concessionaires of the Illinois State Fair and DuQuoin State Fair and employees of the Illinois Department of 8 9 Agriculture shall not be required to obtain an occupation

(b) Each application for an occupation license shall be on forms prescribed by the Board. Such license, when issued, shall be for the period ending December 31 of each year, except that the Board in its discretion may grant 3-year licenses. The application shall be accompanied by a fee of not more than \$25 per year or, in the case of 3-year occupation license applications, a fee of not more than \$60. Each applicant shall set forth in the application his full name and address, and if he had been issued prior occupation licenses or has been licensed in any other state under any other name, such name, his age, whether or not a permit or license issued to him in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the Board may require. Fees for registration of stable names shall not exceed \$50.00.

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1	(C)	The	Board	may	in	its	discretion	refuse	an	occupation
2	license	to a	ny pers	son:						

- (1) who has been convicted of a crime;
- 4 (2) who is unqualified to perform the duties required of such applicant;
 - (3) who fails to disclose or states falsely any information called for in the application;
 - (4) who has been found guilty of a violation of this Act or of the rules and regulations of the Board; or
 - (5) whose license or permit has been suspended, revoked or denied for just cause in any other state.
 - (d) The Board may suspend or revoke any occupation license:
- 13 (1) for violation of any of the provisions of this Act;
 14 or
- 15 (2) for violation of any of the rules or regulations of 16 the Board; or
 - (3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license; or
- 20 (4) for any other just cause.
 - (e) Each applicant shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records

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databases. The Department of State Police shall charge a fee 1 2 for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not 3 exceed the actual cost of the records check. The Department of 5 Police shall furnish, pursuant to 6 identification, records of conviction to the Board. Each 7 applicant for licensure shall submit with his occupation license application, on forms provided by the Board, 2 sets of 8 9 his fingerprints. All such applicants shall appear in person at 10 the location designated by the Board for the purpose of 11 submitting such sets of fingerprints; however, with the prior 12 approval of a State steward, an applicant may have such sets of 13 fingerprints taken by an official law enforcement agency and submitted to the Board. 14

- (f) The Board may, in its discretion, issue an occupation license without submission of fingerprints if an applicant has been duly licensed in another recognized racing jurisdiction after submitting fingerprints that were subjected to a Federal Bureau of Investigation criminal history background check in that jurisdiction.
- 21 (Source: P.A. 93-418, eff. 1-1-04.)
- 22 (230 ILCS 5/15.1) (from Ch. 8, par. 37-15.1)
- Sec. 15.1. Upon collection of the fee accompanying the application for an occupation license, the Board shall be authorized to make daily temporary deposits of the fees, for a

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period not to exceed 7 days, with the horsemen's bookkeeper at a race meeting. The horsemen's bookkeeper shall issue a check, payable to the order of the Illinois Racing Board, for monies deposited under this Section within 24 hours of receipt of the monies. Provided however, upon the issuance of the check by the horsemen's bookkeeper the check shall be deposited <u>into the Horse Racing Fund</u> in the State Treasury in accordance with the provisions of the "State Officers and Employees Money Disposition Act", approved June 9, 1911, as amended.

10 (Source: P.A. 84-432.)

11 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

Sec. 18. (a) Together with its application, each applicant for racing dates shall deliver to the Board a certified check or bank draft payable to the order of the Board for \$1,000. In the event the applicant applies for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21, the fee shall be \$2,000. Filing fees shall not be refunded in the event the application is denied. All filing fees shall be deposited into the Horse Racing Fund.

(b) In addition to the filing fee of \$1000 and the fees provided in subsection (j) of Section 20, each organization licensee shall pay a license fee of \$100 for each racing program on which its daily pari-mutuel handle is \$400,000 or more but less than \$700,000, and a license fee of \$200 for each racing program on which its daily pari-mutuel handle is

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- 1 \$700,000 or more. The additional fees required to be paid under
- 2 this Section by this amendatory Act of 1982 shall be remitted
- 3 by the organization licensee to the Illinois Racing Board with
- 4 each day's graduated privilege tax or pari-mutuel tax and
- 5 breakage as provided under Section 27.
- 6 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois
- 7 Municipal Code," approved May 29, 1961, as now or hereafter
- 8 amended, shall not apply to any license under this Act.
- 9 (Source: P.A. 91-40, eff. 6-25-99.)
- 10 (230 ILCS 5/19) (from Ch. 8, par. 37-19)
- 11 Sec. 19. (a) No organization license may be granted to 12 conduct a horse race meeting:
 - (1) except as provided in subsection (c) of Section 21 of this Act, to any person at any place within 35 miles of any other place licensed by the Board to hold a race meeting on the same date during the same hours, the mileage measurement used in this subsection (a) shall be certified to the Board by the Bureau of Systems and Services in the Illinois Department of Transportation as the most commonly used public way of vehicular travel;
 - (2) to any person in default in the payment of any obligation or debt due the State under this Act, provided no applicant shall be deemed in default in the payment of any obligation or debt due to the State under this Act as long as there is pending a hearing of any kind relevant to

such matter;

- (3) to any person who has been convicted of the violation of any law of the United States or any State law which provided as all or part of its penalty imprisonment in any penal institution; to any person against whom there is pending a Federal or State criminal charge; to any person who is or has been connected with or engaged in the operation of any illegal business; to any person who does not enjoy a general reputation in his community of being an honest, upright, law-abiding person; provided that none of the matters set forth in this subparagraph (3) shall make any person ineligible to be granted an organization license if the Board determines, based on circumstances of any such case, that the granting of a license would not be detrimental to the interests of horse racing and of the public;
- (4) to any person who does not at the time of application for the organization license own or have a contract or lease for the possession of a finished race track suitable for the type of racing intended to be held by the applicant and for the accommodation of the public.
- (b) (Blank) Horse racing on Sunday shall be prohibited unless authorized by ordinance or referendum of the municipality in which a race track or any of its appurtenances or facilities are located, or utilized.
 - (c) If any person is ineligible to receive an organization

- 1 license because of any of the matters set forth in subsection
- 2 (a) (2) or subsection (a) (3) of this Section, any other or
- 3 separate person that either (i) controls, directly or
- 4 indirectly, such ineligible person or (ii) is controlled,
- 5 directly or indirectly, by such ineligible person or by a
- 6 person which controls, directly or indirectly, such ineligible
- 7 person shall also be ineligible.
- 8 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)
- 9 (230 ILCS 5/20) (from Ch. 8, par. 37-20)
- 10 Sec. 20. (a) Any person desiring to conduct a horse race
- 11 meeting may apply to the Board for an organization license. The
- 12 application shall be made on a form prescribed and furnished by
- the Board. The application shall specify:
- 14 (1) the dates on which it intends to conduct the horse
- race meeting, which dates shall be provided under Section
- 16 21;
- 17 (2) the hours of each racing day between which it
- intends to hold or conduct horse racing at such meeting;
- 19 (3) the location where it proposes to conduct the
- 20 meeting; and
- 21 (4) any other information the Board may reasonably
- 22 require.
- 23 (b) A separate application for an organization license
- shall be filed for each horse race meeting which such person
- 25 proposes to hold. Any such application, if made by an

- individual, or by any individual as trustee, shall be signed and verified under oath by such individual. If made by individuals or a partnership, it shall be signed and verified under oath by at least 2 of such individuals or members of such partnership as the case may be. If made by an association, corporation, corporate trustee or any other entity, it shall be signed by the president and attested by the secretary or assistant secretary under the seal of such association, trust or corporation if it has a seal, and shall also be verified under oath by one of the signing officers.
- (c) The application shall specify the name of the persons, association, trust, or corporation making such application and the post office address of the applicant; if the applicant is a trustee, the names and addresses of the beneficiaries; if a corporation, the names and post office addresses of all officers, stockholders and directors; or if such stockholders hold stock as a nominee or fiduciary, the names and post office addresses of these persons, partnerships, corporations, or trusts who are the beneficial owners thereof or who are beneficially interested therein; and if a partnership, the names and post office addresses of all partners, general or limited; if the applicant is a corporation, the name of the state of its incorporation shall be specified.
- (d) The applicant shall execute and file with the Board a good faith affirmative action plan to recruit, train, and upgrade minorities in all classifications within the

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association.

- (e) With such application there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$1,000. All applications for the issuance of an organization license shall be filed with the Board before August 1 of the year prior to the year for which application is made and shall be acted upon by the Board at a meeting to be held on such date as shall be fixed by the Board during the last 15 days of September of such prior year. At such meeting, the Board shall announce the award of the racing meets, live racing schedule, and designation of host track to the applicants and its approval or disapproval of each application. No announcement shall be considered binding until a formal order is executed by the Board, which shall be executed no later than October 15 of that prior year. Absent the agreement of the affected organization licensees, the Board shall not grant overlapping race meetings to 2 or more tracks that are within 100 miles of each other to conduct the thoroughbred racing.
- (e-2) In awarding racing dates for calendar year 2011 and thereafter, the Board shall award racing dates to provide at least 2,425 thoroughbred races and 3,238 standardbred races each year. In awarding racing dates under this subsection (e-2), the Board shall have the discretion to allocate those racing dates among organization licensees.
 - (e-3) The Board may waive the requirements of subsection

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1	(e-1) only if a lesser schedule of live racing is appropriate
2	because of (A) weather or unsafe track conditions due to acts
3	of God; (B) an agreement between the organization licensee and
4	the associations representing the largest number of owners,
5	trainers, jockeys, or standardbred drivers who race horses at
6	that organization licensee's racing meeting; or (C) a finding
7	by the Board of extraordinary circumstances and that it was in
8	the best interest of the public and the sport to conduct fewer
9	days of live racing.
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- (e-5) In reviewing an application for the purpose of granting an organization license consistent with the best interests of the public and the sport of horse racing, the Board shall consider:
- 14 (1) the character, reputation, experience, and 15 financial integrity of the applicant and of any other 16 separate person that either:
 - (i) controls the applicant, directly or indirectly, or
 - (ii) is controlled, directly or indirectly, by that applicant or by a person who controls, directly or indirectly, that applicant;
 - (2) the applicant's facilities or proposed facilities for conducting horse racing;
 - (3) the total revenue without regard to Section 32.1 to be derived by the State and horsemen from the applicant's conducting a race meeting;

(4)	the	applic	ant's	s good	faith	affirm	native	action	plan
to recru	uit,	train,	and	upgrad	e mino	rities	in al	l emplo	yment
classifi	cat	ions:							

- (5) the applicant's financial ability to purchase and maintain adequate liability and casualty insurance;
- (6) the applicant's proposed and prior year's promotional and marketing activities and expenditures of the applicant associated with those activities;
- (7) an agreement, if any, among organization licensees as provided in subsection (b) of Section 21 of this Act; and
- (8) the extent to which the applicant exceeds or meets other standards for the issuance of an organization license that the Board shall adopt by rule.

In granting organization licenses and allocating dates for horse race meetings, the Board shall have discretion to determine an overall schedule, including required simulcasts of Illinois races by host tracks that will, in its judgment, be conducive to the best interests of the public and the sport of horse racing.

(e-10) The Illinois Administrative Procedure Act shall apply to administrative procedures of the Board under this Act for the granting of an organization license, except that (1) notwithstanding the provisions of subsection (b) of Section 10-40 of the Illinois Administrative Procedure Act regarding cross-examination, the Board may prescribe rules limiting the

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right of an applicant or participant in any proceeding to award an organization license to conduct cross-examination of witnesses at that proceeding where that cross-examination would unduly obstruct the timely award of an organization license under subsection (e) of Section 20 of this Act; (2) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act; (3) notwithstanding the provisions subsection (a) of Section 10-60 of the Illinois Administrative Procedure Act regarding ex parte communications, the Board may prescribe rules allowing ex parte communications with applicants or participants in a proceeding to award an organization license where conducting those communications would be in the best interest of racing, provided all those communications are made part of the record of that proceeding pursuant to subsection (c) of Section 10-60 of the Illinois Administrative Procedure Act; (4) the provisions of Section 14a of this Act and the rules of the Board promulgated under that Section shall apply instead of the provisions of Article 10 of Illinois Administrative t.he Procedure Act administrative law judges; and (5) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that prevent summary suspension of a license pending revocation or other action shall not apply.

(f) The Board may allot racing dates to an organization licensee for more than one calendar year but for no more than 3

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successive calendar years in advance, provided that the Board shall review such allotment for more than one calendar year prior to each year for which such allotment has been made. The granting of an organization license to a person constitutes a privilege to conduct a horse race meeting under the provisions of this Act, and no person granted an organization license shall be deemed to have a vested interest, property right, or future expectation to receive an organization license in any subsequent year as a result of the granting of an organization license. Organization licenses shall be subject to revocation if the organization licensee has violated any provision of this Act or the rules and regulations promulgated under this Act or has been convicted of a crime or has failed to disclose or has stated falsely any information called for in the application organization license. Any organization revocation proceeding shall be in accordance with Section 16 regarding suspension and revocation of occupation licenses.

(f-5) If, (i) an applicant does not file an acceptance of the racing dates awarded by the Board as required under part (1) of subsection (h) of this Section 20, or (ii) an organization licensee has its license suspended or revoked under this Act, the Board, upon conducting an emergency hearing as provided for in this Act, may reaward on an emergency basis pursuant to rules established by the Board, racing dates not accepted or the racing dates associated with any suspension or revocation period to one or more organization licensees, new

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any combination thereof, upon terms applicants, or conditions that the Board determines are in the best interest of racing, provided, the organization licensees or applicants receiving the awarded racing dates file acceptance of those reawarded racing dates as required under paragraph (1) of subsection (h) of this Section 20 and comply the other provisions of this Act. The Illinois Administrative Procedures Act shall not apply to the administrative procedures of the Board in conducting the emergency hearing and the reallocation of racing dates on an emergency basis.

- 12 (g) (Blank).
 - (h) The Board shall send the applicant a copy of its formally executed order by certified mail addressed to the applicant at the address stated in his application, which notice shall be mailed within 5 days of the date the formal order is executed.
 - Each applicant notified shall, within 10 days after receipt of the final executed order of the Board awarding racing dates:
- 20 (1) file with the Board an acceptance of such award in 21 the form prescribed by the Board;
 - (2) pay to the Board an additional amount equal to \$110 for each racing date awarded; and
 - (3) file with the Board the bonds required in Sections 21 and 25 at least 20 days prior to the first day of each race meeting.

- 1 Upon compliance with the provisions of paragraphs (1), (2), and
- 2 (3) of this subsection (h), the applicant shall be issued an
- 3 organization license.
- 4 If any applicant fails to comply with this Section or fails
- 5 to pay the organization license fees herein provided, no
- 6 organization license shall be issued to such applicant.
- 7 (Source: P.A. 91-40, eff. 6-25-99.)
- 8 (230 ILCS 5/24) (from Ch. 8, par. 37-24)
- 9 Sec. 24. (a) No license shall be issued to or held by an
- 10 organization licensee unless all of its officers, directors,
- and holders of ownership interests of at least 5% are first
- 12 approved by the Board. The Board shall not give approval of an
- 13 organization license application to any person who has been
- 14 convicted of or is under an indictment for a crime of moral
- turpitude or has violated any provision of the racing law of
- this State or any rules of the Board.
- 17 (b) An organization licensee must notify the Board within
- 18 10 days of any change in the holders of a direct or indirect
- 19 interest in the ownership of the organization licensee. The
- 20 Board may, after hearing, revoke the organization license of
- 21 any person who registers on its books or knowingly permits a
- 22 direct or indirect interest in the ownership of that person
- 23 without notifying the Board of the name of the holder in
- 24 interest within this period.
- 25 (c) In addition to the provisions of subsection (a) of this

- 1 Section, no person shall be granted an organization license if
- 2 any public official of the State or member of his or her family
- 3 holds any ownership or financial interest, directly or
- 4 indirectly, in the person.
- 5 (d) No person which has been granted an organization
- 6 license to hold a race meeting shall give to any public
- official or member of his family, directly or indirectly, for
- 8 or without consideration, any interest in the person. The Board
- 9 shall, after hearing, revoke the organization license granted
- 10 to a person which has violated this subsection.
- 11 (e) (Blank).
- 12 (f) No organization licensee or concessionaire or officer,
- director or holder or controller of 5% or more legal or
- 14 beneficial interest in any organization licensee or concession
- shall make any sort of gift or contribution that is prohibited
- 16 under Article 10 of the State Officials and Employees Ethics
- 17 Act of any kind or pay or give any money or other thing of value
- 18 to any person who is a public official, or a candidate or
- 19 nominee for public office if that payment or gift is prohibited
- 20 under Article 10 of the State Officials and Employees Ethics
- 21 Act.
- 22 (Source: P.A. 89-16, eff. 5-30-95.)
- 23 (230 ILCS 5/26) (from Ch. 8, par. 37-26)
- Sec. 26. Wagering.
- 25 (a) Any licensee may conduct and supervise the pari-mutuel

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

- (b) Except for those gaming activities authorized under the Illinois Lottery Act, Charitable Games Act, and Raffles Act, the Riverboat Gambling Act, or Video Gaming Act, no No other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.
- (b-5) An individual may place a wager under the pari-mutuel system from any licensed location authorized under this Act provided that wager is electronically recorded in the manner described in Section 3.12 of this Act. Any wager made

- electronically by an individual while physically on the premises of a licensee shall be deemed to have been made at the premises of that licensee.
 - (c) Until January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be paid to the Illinois Veterans' Rehabilitation Fund of the State treasury, except as provided in subsection (g) of Section 27 of this Act.
 - (c-5) Beginning January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee.
 - (d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money

- similarly accumulated on account of pari-mutuel tickets not presented for payment.
 - (e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.
 - organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000, when the out-of-State entity conducts a pari-mutuel pool separate from the organization licensee, a privilege tax equal to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel

pool with the organization licensee, the tax shall be 10% of all monies received by the organization licensee with 25% of the receipts from this 10% tax to be distributed to the county in which the race was conducted.

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

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees and advance deposit wagering licensees shall carry the signal of and accept wagers on live racing of all organization licensees. Advance deposit wagering licensees shall not be permitted to accept out-of-state wagers on any Illinois signal provided pursuant to this Section without the approval and consent of the organization licensee providing the

signal. Non-host licensees may carry the host track simulcast 1 2 program and shall accept wagers on all races included as part of the simulcast program upon which wagering is permitted. All 3 organization licensees shall provide their live signal to all 4 5 advance deposit wagering licensees for a simulcast commission 6 fee not to exceed 6% of the advance deposit wagering licensee's 7 Illinois handle on the organization licensee's signal without 8 prior approval by the Board. The Board may adopt rules under 9 which it may permit simulcast commission fees in excess of 6%. 10 The Board shall adopt rules limiting the interstate commission 11 fees charged to an advance deposit wagering licensee. The Board 12 shall adopt rules regarding advance deposit wagering on 13 interstate simulcast races that shall reflect, among other things, the General Assembly's desire to maximize revenues to 14 15 the State, horsemen purses, and organizational licensees. 16 However, organization licensees providing live 17 pursuant to the requirements of this subsection (q) may petition the Board to withhold their live signals from an 18 19 advance deposit wagering licensee if the organization licensee discovers and the Board finds reputable or credible information 20 21 that the advance deposit wagering licensee is under 22 investigation by another state or federal governmental agency, 23 the advance deposit wagering licensee's license has been 24 suspended in another state, or the advance deposit wagering 25 licensee's license is in revocation proceedings in another state. The organization licensee's provision of their live 26

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signal to an advance deposit wagering licensee under this subsection (q) pertains to wagers placed from within Illinois. Advance deposit wagering licensees may place advance deposit wagering terminals at wagering facilities as a convenience to customers. The advance deposit wagering licensee shall not charge or collect any fee from purses for the placement of the advance deposit wagering terminals. The costs and expenses of track and non-host licensees associated with the host interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

Notwithstanding any other provision of this Act, for a period of 3 years after the effective date of this amendatory Act of the 96th General Assembly, an organization licensee may maintain a system whereby advance deposit wagering may take place or an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race

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horses at that organization licensee's racing meeting, may contract with another person to carry out a system of advance deposit wagering. Such consent may not be unreasonably withheld. All advance deposit wagers placed from within Illinois must be placed through a Board-approved advance deposit wagering licensee; no other entity may accept an advance deposit wager from a person within Illinois. All advance deposit wagering is subject to any rules adopted by the Board. The Board may adopt rules necessary to regulate advance deposit wagering through the use of emergency rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate advance deposit wagering is deemed an emergency and necessary for the public interest, safety, and welfare. An advance deposit wagering licensee may retain all moneys as agreed to by contract with an organization licensee. Any moneys retained by the organization licensee from advance deposit wagering, not including moneys retained by the advance deposit wagering licensee, shall be paid 50% t.o the organization licensee's purse account and 50% to the organization licensee. If more than one breed races at the same race track facility, then the 50% of the moneys to be paid to an organization licensee's purse account shall be allocated among all organization licensees' purse accounts operating at that race track facility proportionately based on the actual number of host days that the Board grants to that breed at that

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- race track facility in the current calendar year. To the extent any fees from advance deposit wagering conducted in Illinois for wagers in Illinois or other states have been placed in escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers or the disbursement of any fees previously escrowed illegal.
 - (1) Between the hours of 6:30 a.m. and 6:30 p.m. an intertrack wagering licensee other than the host track may supplement the host. track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any inclusive, if live thoroughbred racing no year, occurring in Illinois during this period, thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may be transmitted from an intertrack wagering licensee to its affiliated non-host licensees. The interstate commission fee for supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.
 - (2) Between the hours of 6:30 p.m. and 6:30 a.m. an intertrack wagering licensee other than the host track may

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receive supplemental interstate simulcasts only with the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of racing. Consent granted under this paragraph (2) to any intertrack wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for the supplemental interstate simulcast shall be paid by all participating non-host licensees.

- Each licensee conducting interstate simulcast (3) wagering may retain, subject to the payment of all applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the pari-mutuel system wagering on races conducted racetracks in another state or country, each such race or race program shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in subsection (a) of Section 27. Until January 1, 2000, from sums permitted to be retained pursuant to this subsection, each intertrack wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act.
- (4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending

racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the take-out percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

- (5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental interstate simulcast, which shall be paid by the host track and by each non-host licensee through the host-track) and all applicable State and local taxes, except as provided in subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:
 - (A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.
 - (B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the

non-host licensee, and 50% to the purses at the host track.

- (6) Notwithstanding any provision in this Act to the contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.
- (7) Notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local taxes and interstate commission fees, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at the track from which the non-host licensee derives its license as follows:
 - (A) Between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, when the interstate simulcast is a standardbred race, the purse share to its standardbred purse account;
 - (B) Between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is

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occurring in Illinois during this period, and the interstate simulcast is a thoroughbred race, the purse share to its interstate simulcast purse pool to be distributed under paragraph (10) of this subsection (q);

- (C) Between January 1 and the third Friday in February, inclusive, if live thoroughbred racing is occurring in Illinois, between 6:30 a.m. and 6:30 p.m. the purse share from wagers made during this time period to its thoroughbred purse account and between 6:30 p.m. and 6:30 a.m. the purse share from wagers made during this time period to its standardbred purse accounts;
- (D) Between the third Saturday in February and December 31, when the interstate simulcast occurs between the hours of 6:30 a.m. and 6:30 p.m., the purse share to its thoroughbred purse account;
- (E) Between the third Saturday in February and December 31, when the interstate simulcast occurs between the hours of 6:30 p.m. and 6:30 a.m., the purse share to its standardbred purse account.
- (7.1) Notwithstanding any other provision of this Act to the contrary, if no standardbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and

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inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during that calendar year shall be paid as follows:

- (A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and
- (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. The moneys deposited into the pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with other moneys paid into that Fund. The moneys deposited pursuant this to subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board.
- (7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar

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year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 a.m. and 6:30 p.m. during that calendar year shall be deposited as follows:

- (A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be deposited into its standardbred purse account; and
- (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund. Moneys deposited into the Illinois Colt Stakes Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and thoroughbred breeders' programs and to thoroughbred purses for races conducted at any county fairgrounds for Illinois conceived and foaled horses at discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. The moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys

paid to thoroughbred purses under this Act, and shall not be commingled with other moneys deposited into that Fund.

- (7.3) If no live standardbred racing is conducted at a racetrack located in Madison County in calendar year 2000 or 2001, an organization licensee who is licensed to conduct horse racing at that racetrack shall, before January 1, 2002, pay all moneys derived from simulcast wagering and inter-track wagering in calendar years 2000 and 2001 and paid into the licensee's standardbred purse account as follows:
 - (A) Eighty percent to that licensee's thoroughbred purse account to be used for thoroughbred purses; and
 - (B) Twenty percent to the Illinois Colt Stakes
 Purse Distribution Fund.

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

Moneys paid into the Illinois Colt Stakes Purse Distribution Fund pursuant to this paragraph (7.3) shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. Moneys paid into the Illinois Colt Stakes Purse Distribution Fund pursuant to this paragraph (7.3)

shall be used as determined by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with any other moneys paid into that Fund.

- (7.4) If live standardbred racing is conducted at a racetrack located in Madison County at any time in calendar year 2001 before the payment required under paragraph (7.3) has been made, the organization licensee who is licensed to conduct racing at that racetrack shall pay all moneys derived by that racetrack from simulcast wagering and inter-track wagering during calendar years 2000 and 2001 that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or 2001 to the standardbred purse account at that racetrack to be used for standardbred purses.
- (8) Notwithstanding any provision in this Act to the contrary, an organization licensee from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility.
- (8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting

standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable State and local taxes and interstate commission fees, the remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 2 organization licensees, respectively, based on each organization licensee's share of the total live handle for that day, provided that this provision shall not apply to any non-host licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River.

- (9) (Blank).
- (10) (Blank).
- (11) (Blank).
 - (12) The Board shall have authority to compel all host tracks to receive the simulcast of any or all races conducted at the Springfield or DuQuoin State fairgrounds and include all such races as part of their simulcast programs.
 - (13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such

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wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the wagering facility the amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is

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affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly appropriate sufficient funds from the General shall Revenue Fund to the Department of Agriculture for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in January to be transferred from each account to each eligible racing facility in accordance with the provisions of this Section. For the calendar year in which an organization licensee that is eligible to receive a payment under this paragraph (13) begins conducting electronic gaming pursuant to an electronic gaming license, the wagering facilities permitted to receive amounts from the purse accounts under this paragraph (13) shall receive 75% of the amount certified, one year after an organization licensee first conducts electronic wagering, the wagering facilities shall receive 50% of the amount certified, and 2 years after an organization licensee first conducts electronic wagering, the wagering facilities shall receive 25% of the amount

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certified. Beginning 3 years after an organization licensee first conducts electronic wagering, the wagering facilities shall not receive any moneys from the purse accounts under this paragraph (13).

- (h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:
 - (1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license; or (iii) at a track located in Madison County that conducted at least 100 days of live racing during the immediately preceding calendar year may be issued an inter-track wagering license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other acts of God; (B) an agreement between the organization licensee and the associations representing the largest

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number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best interest of the public and the sport to conduct fewer than 100 days of live racing. Any such person having operating control of the racing facility may also receive up to 6 inter-track wagering location licenses. In no event shall more than 6 inter-track wagering locations be established for each eligible race track, except that an eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 7 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the

Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by the Board.

- (3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.
- (4) Prior to the issuance of a license to conduct inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the winning ticket or tickets, of all sums payable to the patrons of pari-mutuel pools.
- (5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.
 - (6) All wagering under such license is subject to this

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Act and to the rules and regulations from time to time prescribed by the Board, and every such license issued by the Board shall contain a recital to that effect.

- (7) An inter-track wagering licensee or inter-track wagering location licensee may accept wagers at the track or location where it is licensed, or as otherwise provided under this Act.
- (8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than 5 miles from a track at which a racing meeting is in progress.
- Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations which are either within 90 miles of that race track where the particular organization licensee is licensed to conduct racing, or within 135 miles that race track where the particular organization licensee is licensed to conduct racing in the case of race tracks in counties of less than 400,000 that were operating on or before June 1, 1986. However, inter-track wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent

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must be filed with the Board at or prior to the time application is made.

(8.2) Inter-track wagering or simulcast wagering shall not be conducted by an inter-track wagering location licensee at any location within 500 feet of an existing church or existing <u>elementary or secondary public or</u> private school recognized by the State Board of Education school, nor within 500 feet of the residences of more than 50 registered voters without receiving written permission from a majority of the registered voters at residences. Such written permission statements shall be filed with the Board. The distance of 500 feet shall be measured to the nearest part of any building used for worship services, education programs, residential purposes, or conducting inter-track wagering by inter-track wagering location licensee, and property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 500 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have been erected or established, or such voters have been registered, after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only in areas that are zoned for commercial or manufacturing

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purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However, inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

- (9) (Blank).
- (10)An inter-track wagering licensee orinter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee inter-track wagering location licensee shall orconsidered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27.
- (10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees shall pay 1% of the pari-mutuel handle at each location to

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

(10.2) Notwithstanding any other provision of this Act, with respect to intertrack wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from organization licensee that operates the first race track, on races conducted at the first race track or on races another Illinois conducted at race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as follows:

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

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standardbred races.

- (B) That portion of all moneys wagered on thoroughbred racing that is required under this Act to be paid to purses shall be paid to purses for thoroughbred races.
- (11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses connection with the gathering, transmission, dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split between the 2 participating licensees and 50% to purses, except that an intertrack wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an intertrack wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.
 - (B) From the sums permitted to be retained pursuant to

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this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on intertrack wagering at such location on races as purses, except that an intertrack wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with distribution set forth in this subsection (h). intertrack wagering location licensees that accept wagers on races conducted by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h) during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during year 1994, that excess amount. redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro-rata share of the

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total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of inter-track wagering and simulcast wagering total handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall be further redistributed as provided in subparagraphs (D) and (E) of paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization

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licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of conducting its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except that an intertrack wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an intertrack wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1) of this subsection (h) by this amendatory Act of 1991, those licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% of the pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25%; during the third

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12 months, 5.75%; during the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 months, 7.75%; during the fourth 12 months, 7.25%; and during the fifth 12 months and thereafter, 6.75%. For additional intertrack wagering location licensees authorized under this amendatory Act of 1995, purses for the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For additional intertrack location licensees authorized under this amendatory Act of 1995, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% of the pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% during its second 12 months of operation, and 6.75% thereafter.

(C) There is hereby created the Horse Racing Tax Allocation Fund which shall remain in existence until December 31, 1999. Moneys remaining in the Fund after December 31, 1999 shall be paid into the General Revenue Fund. Until January 1, 2000, all monies paid into the Horse

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Racing Tax Allocation Fund pursuant to this paragraph (11) by inter-track wagering location licensees located in park districts of 500,000 population or less, or in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, and operating on May 1, 1994 shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve chairman; 2 representatives of organization as licensees conducting thoroughbred race meetings in this State, recommended by those licensees; representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders

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Association, recommended by that Association; representative of the Horsemen's Benevolent Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their duties. The 50% official remaining ofthis two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

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

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inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall be allocated equally between the county and the municipality in which t.he inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have a park district in an amount equal to four-sevenths of the amount collected by each inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before the effective date of this amendatory Act of 1991 by an

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inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon practicable after the effective date of this amendatory Act of 1991, be allocated and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining a museum may deposit the monies in the corporate fund of t.he park district or municipality where t.he inter-track wagering location is located, to be used for general purposes; and

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

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

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of

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Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve 2 representatives of as chairman; organization licensees conducting thoroughbred race meetings in by those State, recommended licensees; representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; representative of the Horsemen's Benevolent Protective Association or any successor organization thereto established in Illinois comprised of largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no

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compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of two-sevenths shall be distributed to county fairs for and rehabilitation as set forth in Agricultural Fair Act;

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

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

(D) Except as provided in paragraph (11) of this subsection (h), with respect to purse allocation from intertrack wagering, the monies so retained shall be divided as follows:

- (i) If the inter-track wagering licensee, except an intertrack wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is not conducting its own race meeting during the same dates, then the entire purse allocation shall be to purses at the track where the races wagered on are being conducted.
 - (ii) If the inter-track wagering licensee, except an intertrack wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the same dates, then the purse allocation shall be as follows: 50% to purses at the track where the races wagered on are being conducted; 50% to purses at the track where the inter-track wagering licensee is accepting such wagers.
 - (iii) If the inter-track wagering is being conducted by an inter-track wagering location licensee, except an intertrack wagering location licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the

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Mississippi River, the entire purse allocation for Illinois races shall be to purses at the track where the race meeting being wagered on is being held.

- (12) The Board shall have all powers necessary and proper to fully supervise and control the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees, including, but not limited to the following:
 - (A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.
 - (B) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the rules and regulations relating to the conduct of such wagering.
 - (C) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any

licensee's facilities, any person whose conduct or reputation is such that his presence on such premises may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere with the orderly conduct of such wagering; provided, however, that no person shall be excluded or ejected from such premises solely on the grounds of race, color, creed, national origin, ancestry, or sex.

- (D) (Blank).
- (E) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.
- (F) The Board shall name and appoint a State director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise the conduct of inter-track wagering as may be provided for by the rules and regulations of the Board; such rules and regulation shall specify the method of appointment and the Director's powers, authority and duties.
- (G) The Board is vested with the power to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of any provision of this Act relating to the conduct of

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this wagering, any rules adopted by the Board, any order of the Board or any other action which in the Board's discretion, is a detriment or impediment to such wagering.

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

- 1 Illinois State Fair in Sangamon County or the DuQuoin State
- 2 Fair in Perry County, or to any wagering conducted on those
- 3 race meetings.
- 4 (i) Notwithstanding the other provisions of this Act, the
- 5 conduct of wagering at wagering facilities is authorized on all
- 6 days, except as limited by subsection (b) of Section 19 of this
- 7 Act.
- 8 (Source: P.A. 96-762, eff. 8-25-09.)
- 9 (230 ILCS 5/28) (from Ch. 8, par. 37-28)
- 10 Sec. 28. Except as provided in subsection (g) of Section 27
- of this Act, moneys collected shall be distributed according to
- the provisions of this Section 28.
- 13 (a) Thirty per cent of the total of all monies received by
- 14 the State as privilege taxes shall be paid into the
- 15 Metropolitan Exposition Auditorium and Office Building Fund in
- 16 the State Treasury.
- 17 (b) In addition, 4.5% of the total of all monies received
- 18 by the State as privilege taxes shall be paid into the State
- 19 treasury into a special Fund to be known as the Metropolitan
- 20 Exposition, Auditorium, and Office Building Fund.
- 21 (c) Fifty per cent of the total of all monies received by
- 22 the State as privilege taxes under the provisions of this Act
- 23 shall be paid into the Agricultural Premium Fund.
- 24 (d) Seven per cent of the total of all monies received by
- 25 the State as privilege taxes shall be paid into the Fair and

- Exposition Fund in the State treasury; provided, however, that 1
- 2 when all bonds issued prior to July 1, 1984 by the Metropolitan
- 3 Fair and Exposition Authority shall have been paid or payment
- shall have been provided for upon a refunding of those bonds, 4
- 5 thereafter 1/12 of \$1,665,662 of such monies shall be paid each
- month into the Build Illinois Fund, and the remainder into the 6
- 7 Fair and Exposition Fund. All excess monies shall be allocated
- 8 to the Department of Agriculture for distribution to county
- 9 fairs for premiums and rehabilitation as set forth in the
- 10 Agricultural Fair Act.
- 11 (e) The monies provided for in Section 30 shall be paid
- 12 into the Illinois Thoroughbred Breeders Fund.
- 13 (f) The monies provided for in Section 31 shall be paid
- into the Illinois Standardbred Breeders Fund. 14
- (g) Until January 1, 2000, that part representing 1/2 of 15
- 16 the total breakage in Thoroughbred, Harness, Appaloosa,
- 17 Arabian, and Quarter Horse racing in the State shall be paid
- into the Illinois Race Track Improvement Fund as established in 18
- 19 Section 32.
- 20 (h) All other monies received by the Board under this Act
- shall be paid into the Horse Racing Fund General Revenue Fund 21
- 22 of the State.
- 23 (i) The salaries of the Board members, secretary, stewards,
- 24 of mutuels, veterinarians, representatives,
- 25 accountants, clerks, stenographers, inspectors and other
- 26 employees of the Board, and all expenses of the Board incident

- to the administration of this Act, including, but not limited to, all expenses and salaries incident to the taking of saliva and urine samples in accordance with the rules and regulations of the Board shall be paid out of the Agricultural Premium Fund.
 - (j) The Agricultural Premium Fund shall also be used:
 - (1) for the expenses of operating the Illinois State Fair and the DuQuoin State Fair, including the payment of prize money or premiums;
 - (2) for the distribution to county fairs, vocational agriculture section fairs, agricultural societies, and agricultural extension clubs in accordance with the Agricultural Fair Act, as amended;
 - (3) for payment of prize monies and premiums awarded and for expenses incurred in connection with the International Livestock Exposition and the Mid-Continent Livestock Exposition held in Illinois, which premiums, and awards must be approved, and paid by the Illinois Department of Agriculture;
 - (4) for personal service of county agricultural advisors and county home advisors;
 - (5) for distribution to agricultural home economic extension councils in accordance with "An Act in relation to additional support and finance for the Agricultural and Home Economic Extension Councils in the several counties in this State and making an appropriation therefor", approved

- 1 July 24, 1967, as amended;
 - (6) for research on equine disease, including a development center therefor;
 - (7) for training scholarships for study on equine diseases to students at the University of Illinois College of Veterinary Medicine;
 - (8) for the rehabilitation, repair and maintenance of the Illinois and DuQuoin State Fair Grounds and the structures and facilities thereon and the construction of permanent improvements on such Fair Grounds, including such structures, facilities and property located on such State Fair Grounds which are under the custody and control of the Department of Agriculture;
 - (9) for the expenses of the Department of Agriculture under Section 5-530 of the Departments of State Government Law (20 ILCS 5/5-530);
 - (10) for the expenses of the Department of Commerce and Economic Opportunity under Sections 605-620, 605-625, and 605-630 of the Department of Commerce and Economic Opportunity Law (20 ILCS 605/605-620, 605/605-625, and 605/605-630);
 - (11) for remodeling, expanding, and reconstructing facilities destroyed by fire of any Fair and Exposition Authority in counties with a population of 1,000,000 or more inhabitants;
 - (12) for the purpose of assisting in the care and

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- general rehabilitation of disabled veterans of any war and their surviving spouses and orphans;
 - (13) for expenses of the Department of State Police for duties performed under this Act;
 - (14) for the Department of Agriculture for soil surveys and soil and water conservation purposes;
 - (15) for the Department of Agriculture for grants to the City of Chicago for conducting the Chicagofest;
 - (16) for the State Comptroller for grants and operating expenses authorized by the Illinois Global Partnership Act.
- 12 (k) To the extent that monies paid by the Board to the
 13 Agricultural Premium Fund are in the opinion of the Governor in
 14 excess of the amount necessary for the purposes herein stated,
 15 the Governor shall notify the Comptroller and the State
 16 Treasurer of such fact, who, upon receipt of such notification,
 17 shall transfer such excess monies from the Agricultural Premium
 18 Fund to the General Revenue Fund.
- 19 (Source: P.A. 94-91, Sections 55-135 and 90-10, eff. 7-1-05.)
- 20 (230 ILCS 5/30) (from Ch. 8, par. 37-30)
 - Sec. 30. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality thoroughbred horses to participate in

- thoroughbred racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.
 - (b) Each organization licensee conducting a thoroughbred racing meeting pursuant to this Act shall provide at least two races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled or Illinois foaled horses or both. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.
 - (c) Conditions of races under subsection (b) shall be commensurate with past performance, quality, and class of Illinois conceived and foaled and Illinois foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.
 - (d) There is hereby created a special fund of the State Treasury to be known as the Illinois Thoroughbred Breeders Fund.
- Except as provided in subsection (g) of Section 27 of this
 Act, 8.5% of all the monies received by the State as privilege
 taxes on Thoroughbred racing meetings shall be paid into the

- 1 Illinois Thoroughbred Breeders Fund.
- 2 (e) The Illinois Thoroughbred Breeders Fund shall be 3 administered by the Department of Agriculture with the advice 4 and assistance of the Advisory Board created in subsection (f) 5 of this Section.
- (f) The Illinois Thoroughbred Breeders Fund Advisory Board 6 7 shall consist of the Director of the Department of Agriculture, 8 who shall serve as Chairman; a member of the Illinois Racing 9 Board, designated by it; 2 representatives of the organization 10 licensees conducting thoroughbred racing meetings, recommended 11 by them; 2 representatives of the Illinois Thoroughbred 12 Breeders and Owners Foundation, recommended by it; and 2 the Horsemen's Benevolent 13 representatives of Protective 14 Association or any successor organization established in 15 Illinois comprised of the largest number of owners 16 trainers, recommended by it, with one representative of the 17 Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division. 18 Advisory Board members shall serve for 2 years commencing 19 20 January 1 of each odd numbered year. If representatives of the 21 organization licensees conducting thoroughbred 22 meetings, the Illinois Thoroughbred Breeders and Owners and 23 t.he Horsemen's Benevolent. Protection Foundation, 24 Association have not been recommended by January 1, of each odd 25 numbered year, the Director of the Department of Agriculture 26 shall make an appointment for the organization failing to so

- recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.
 - (g) Moneys No monies shall be expended from the Illinois Thoroughbred Breeders Fund except as appropriated by the General Assembly pursuant to this Act, the Riverboat Gambling Act, or both. Monies appropriated from the Illinois Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, for the following purposes only:
 - (1) To provide purse supplements to owners of horses participating in races limited to Illinois conceived and foaled and Illinois foaled horses. Any such purse supplements shall not be included in and shall be paid in addition to any purses, stakes, or breeders' awards offered by each organization licensee as determined by agreement between such organization licensee and an organization representing the horsemen. No monies from the Illinois Thoroughbred Breeders Fund shall be used to provide purse supplements for claiming races in which the minimum claiming price is less than \$7,500.
 - (2) To provide stakes and awards to be paid to the owners of the winning horses in certain races limited to

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Illinois conceived and foaled and Illinois foaled horses designated as stakes races.

- (2.5) To provide an award to the owner or owners of an Illinois conceived and foaled or Illinois foaled horse that wins a maiden special weight, an allowance, overnight handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. Awards shall also be provided to the owner or owners of Illinois conceived and foaled and Illinois foaled horses that place second or third in those races. To the extent that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.
- (3) To provide stallion awards to the owner or owners of any stallion that is duly registered with the Illinois Thoroughbred Breeders Fund Program prior to the effective date of this amendatory Act of 1995 whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race. Such award shall not be paid to the owner or owners of an Illinois stallion that served outside

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this State at any time during the calendar year in which such race was conducted.

- (4) To provide \$75,000 annually for purses to be distributed to county fairs that provide for the running of durina each county fair exclusively for thoroughbreds conceived and foaled in Illinois. The conditions of the races shall be developed by the county fair association and reviewed by the Department with the advice and assistance of t.he Illinois Thoroughbred Breeders Fund Advisory Board. There shall be no wagering of any kind on the running of Illinois conceived and foaled races at county fairs.
- (4.1) To provide purse money for an Illinois stallion stakes program.
- (5) No less than 80% of all monies appropriated from the Illinois Thoroughbred Breeders Fund shall be expended for the purposes in (1), (2), (2.5), (3), (4), (4.1), and (5) as shown above.
- (6) To provide for educational programs regarding the thoroughbred breeding industry.
- (7) To provide for research programs concerning the health, development and care of the thoroughbred horse.
- (8) To provide for a scholarship and training program for students of equine veterinary medicine.
- (9) To provide for dissemination of public information designed to promote the breeding of thoroughbred horses in

1 Illinois.

- (10) To provide for all expenses incurred in the administration of the Illinois Thoroughbred Breeders Fund.
 - (h) Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund.
 - (i) A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this

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meeting.

subsection (i) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders! awards and the amount of such breeders' awards under this subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the

Effective with the commencement of operation of electronic gaming pursuant to an electronic gaming license at a racetrack for which certain payments are made into the Illinois Thoroughbred Breeders Fund pursuant to Section 56 of this Act, all moneys paid under this subsection (i) for races at that racetrack shall be paid out of the Illinois Thoroughbred

organization licensee within 30 days of the end of each race

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Breeders Fund instead of paid by the organization licensee conducting the horse race meeting.

(j) A sum equal to 12 1/2% of the first prize money won in each race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, from the organization licensee's share of the money wagered: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third and fourth finishers and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies.

The 11 1/2% paid to the breeders in accordance with this subsection shall be distributed as follows:

()	1) 60%	of	such	sum	shal	l be	paid	to	the	breeder	of	the
horse	which	fir	nishes	sin	the o	offic	cial :	firs	t po	osition;		

- (2) 20% of such sum shall be paid to the breeder of the horse which finishes in the official second position;
- (3) 15% of such sum shall be paid to the breeder of the horse which finishes in the official third position; and
- (4) 5% of such sum shall be paid to the breeder of the horse which finishes in the official fourth position.

Such payments shall not reduce any award to the owners of a horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

Effective with the commencement of operation of electronic gaming pursuant to an electronic gaming license at a racetrack for which certain payments are made into the Illinois Thoroughbred Breeders Fund pursuant to Section 56 of this Act, all moneys paid under this subsection (j) for races at that racetrack shall be paid out of the Illinois Thoroughbred Breeders Fund instead of paid by the organization licensee

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conducting the horse race meeting.

- (k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped. An "Illinois foaled horse" is a foal dropped by a mare which enters this State on or before December 1, in the year in which the horse is bred, provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days after foaling, is bred back during the season of the foaling to Illinois Registered Stallion (unless a veterinarian an certifies that the mare should not be bred for health reasons), and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also means a foal born in Illinois of a mare purchased at public auction subsequent to the mare entering this State prior to February 1 of the foaling year providing the mare is owned solely by one or more Illinois residents or an Illinois entity that is entirely owned by one or more Illinois residents.
- (1) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board:
 - (1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of

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Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible stallions. All fees collected are to be paid into the Illinois Thoroughbred Breeders Fund.

- (2) Provide for the registration of Illinois conceived and foaled horses and Illinois foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses or Illinois foaled horses or both unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The of Agriculture may Department assess and application fees for the registration of Illinois-eligible foals. All fees collected are to be paid into the Illinois Thoroughbred Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information.
- (m) The Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled and Illinois foaled horses be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider

factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

- (n) The Board and the organizational licensee shall notify the Department of the conditions and minimum purses for races limited to Illinois conceived and foaled and Illinois foaled horses conducted for each organizational licensee conducting a thoroughbred racing meeting. The Department of Agriculture with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, the number of races that may occur, and the organizational licensee's purse structure.
- (o) In order to improve the breeding quality of thoroughbred horses in the State, the General Assembly recognizes that existing provisions of this Section to encourage such quality breeding need to be revised and strengthened. As such, a Thoroughbred Breeder's Program Task

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Force is to be appointed by the Governor by September 1, 1999 1 2 to make recommendations to the General Assembly by no later than March 1, 2000. This task force is to be composed of 2 3 representatives from the Illinois Thoroughbred Breeders and 5 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's 6 3 Illinois Association, from race tracks 7 thoroughbred race meets for an average of at least 30 days in the past 3 years, the Director of Agriculture, the Executive 8 9 Director of the Racing Board, who shall serve as Chairman.

10 (Source: P.A. 91-40, eff. 6-25-99.)

11 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

Sec. 31. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality standardbred horses to participate in harness racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each

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- week limited to Illinois conceived and foaled horses. No horses 1 2 shall be permitted to start in such races unless duly 3 registered under the rules of the Department of Agriculture.
 - (c) Conditions of races under subsection (b) shall be commensurate with past performance, quality and class of Illinois conceived and foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.
- 10 (d) There is hereby created a special fund of the State 11 Treasury to be known as the Illinois Standardbred Breeders 12 Fund.
 - During the calendar year 1981, and each year thereafter, except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.
 - The Illinois Standardbred Breeders Fund shall be (e) administered by the Department of Agriculture with the assistance and advice of the Advisory Board created in subsection (f) of this Section.
 - (f) The Illinois Standardbred Breeders Fund Advisory Board is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; the Superintendent of the Illinois State Fair; a member of the Illinois Racing Board, designated by it; a

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representative of Illinois Standardbred Owners the and Breeders Association, recommended by it; a representative of the Illinois Association of Agricultural Fairs, recommended by it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of the organization licensees conducting harness racing meetings, recommended by them and a representative of the Illinois Harness Horsemen's Association, recommended by it. Advisory Board members shall serve for 2 years commencing January 1, of each odd numbered year. If representatives of the Illinois Standardbred Owners and Breeders Associations, the Illinois Association of Agricultural Fairs, the Illinois Harness Horsemen's Association. and the organization licensees conducting harness racing meetings have not been recommended by January 1, of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) No monies shall be expended from the Illinois Standardbred Breeders Fund except as appropriated by the General Assembly <u>pursuant to this Act, the Riverboat Gambling Act, or both</u>. Monies appropriated from the Illinois Standardbred Breeders Fund shall be expended by the Department

- of Agriculture, with the assistance and advice of the Illinois
- 2 Standardbred Breeders Fund Advisory Board for the following
- 3 purposes only:

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- 1. To provide purses for races limited to Illinois conceived and foaled horses at the State Fair.
 - 2. To provide purses for races limited to Illinois conceived and foaled horses at county fairs.
 - 3. To provide purse supplements for races limited to Illinois conceived and foaled horses conducted by associations conducting harness racing meetings.
 - 4. No less than 75% of all monies in the Illinois Standardbred Breeders Fund shall be expended for purses in 1, 2 and 3 as shown above.
 - 5. In the discretion of the Department of Agriculture to provide awards to harness breeders of Illinois conceived and foaled horses which win races conducted by organization licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 10% $\circ f$ all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for expenses incurred in the administration of such harness breeders awards.
 - 6. To pay for the improvement of racing facilities located at the State Fair and County fairs.

- 7. To pay the expenses incurred in the administration of the Illinois Standardbred Breeders Fund.
 - 8. To promote the sport of harness racing.
 - (h) Whenever the Governor finds that the amount in the Illinois Standardbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Standardbred Breeders Fund to the General Revenue Fund.
 - (i) A sum equal to 12 1/2% of the first prize money of the gross every purse won by an Illinois conceived and foaled horse shall be paid by the organization licensee conducting the horse race meeting to the breeder of such winning horse from the organization licensee's share of the money wagered. Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment shall be delivered by the organization licensee at the end of each race meeting.

Effective with the commencement of operation of electronic gaming pursuant to an electronic gaming license at a racetrack for which certain payments are made into the Illinois Standardbred Breeders Fund pursuant to Section 56 of this Act, all moneys paid under this subsection (i) for races at that racetrack shall be paid out of the Illinois Standardbred

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Breeders Fund instead of paid by the organization licensee conducting the horse race meeting.

- (j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:
- 1. Qualify stallions for Illinois Standardbred Breeders Fund breeding; such stallion shall be owned by a resident of the State of Illinois or by an Illinois corporation all of whose shareholders, directors, officers and incorporators are residents of the State of Illinois. Such stallion shall stand for service at and within the State of Illinois at the time of a foal's conception, and such stallion must not stand for service at any place, nor may semen from such stallion be transported, outside the State of Illinois during that calendar year in which the foal is conceived and that the owner of the stallion was for the 12 months prior, a resident of Illinois. The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association or corporation and any bylaws and stock certificates must contain a restriction that provides that the ownership or transfer of interest by any one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident.
- 2. Provide for the registration of Illinois conceived and foaled horses and no such horse shall compete in the races limited to Illinois conceived and foaled horses unless registered with the Department of Agriculture. The Department

of Agriculture may prescribe such forms as may be necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information. A mare (dam) must be in the state at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. Beginning with the 1996 breeding season and for foals of 1997 and thereafter, a foal conceived by transported fresh semen may be eligible for Illinois conceived and foaled registration provided all breeding and foaling requirements are met. The stallion must be qualified for Illinois Standardbred Breeders Fund breeding at the time of conception and the mare must be inseminated within the State of Illinois. The foal must be dropped in Illinois and properly registered with the Department of Agriculture in accordance with this Act.

- 3. Provide that at least a 5 day racing program shall be conducted at the State Fair each year, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a two year old Trot and Pace, and Filly Division of each; (b) a three year old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.
- 4. Provide for the payment of nominating, sustaining and starting fees for races promoting the sport of harness racing and for the races to be conducted at the State Fair as provided in subsection (j) 3 of this Section provided that the

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- nominating, sustaining and starting payment required from an entrant shall not exceed 2% of the purse of such race. All nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. Nominating, sustaining and starting fees shall be held in trust accounts for the purposes
- 7 as set forth in this Act and in accordance with Section 205-15
- 8 of the Department of Agriculture Law (20 ILCS 205/205-15).
 - 5. Provide for the registration with the Department of Agriculture of Colt Associations or county fairs desiring to sponsor races at county fairs.
 - (k) The Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, Department of Agriculture shall consider including but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number of races that may occur, and an organizational licensee's purse structure. The organizational licensee shall notify the Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be conducted by each organizational licensee conducting a harness racing meeting for which purse supplements have negotiated.
 - (1) All races held at county fairs and the State Fair which

- receive funds from the Illinois Standardbred Breeders Fund 1 2 shall be conducted in accordance with the rules of the United
- States Trotting Association unless otherwise modified by the 3
- Department of Agriculture. 4
- 5 (m) At all standardbred race meetings held or conducted
- 6 under authority of a license granted by the Board, and at all
- 7 standardbred races held at county fairs which are approved by
- the Department of Agriculture or at the Illinois or DuQuoin 8
- 9 State Fairs, no one shall jog, train, warm up or drive a
- 10 standardbred horse unless he or she is wearing a protective
- 11 safety helmet, with the chin strap fastened and in place, which
- 12 meets the standards and requirements as set forth in the 1984
- 13 Standard for Protective Headgear for Use in Harness Racing and
- Other Equestrian Sports published by the Snell Memorial 14
- 15 Foundation, or any standards and requirements for headgear the
- 16 Illinois Racing Board may approve. Any other standards and
- 17 requirements so approved by the Board shall equal or exceed
- those published by the Snell Memorial Foundation. 18
- 19 equestrian helmet bearing the Snell label shall be deemed to
- 20 have met those standards and requirements.
- (Source: P.A. 91-239, eff. 1-1-00.) 21
- 22 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)
- 23 Sec. 31.1. (a) Until after the first full calendar year any
- 24 organization license is issued an electronic gaming license,
- collectively 25 organization Organization licensees shall

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contribute annually to charity the sum of \$750,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks. These contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee, except those tracks which are not within 100 miles of each other which tracks shall pay \$30,000 annually apiece into the Board charity fund, that amount which equals \$690,000 multiplied by the amount of pari-mutuel wagering handled by the organization licensee in the year preceding assessment and divided by the total pari-mutuel wagering handled by all Illinois organization licensees, except those tracks which are not within 100 miles of each other, in the year preceding assessment; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within thirty days of its receipt of such notice, each organization licensee shall assessed contribution to the remit the Board. organization licensee wilfully fails to remit SO contribution, the Board may revoke its license to conduct horse racing.

(b) No later than October 1st of each year, any qualified charitable organization seeking an allotment of contributed funds shall submit to the Board an application for those funds, using the Board's approved form. No later than December 31st of each year, the Board shall distribute all such amounts

- 1 collected that year to such charitable organization
- 2 applicants.
- 3 (Source: P.A. 87-110.)
- 4 (230 ILCS 5/56 new)
- 5 <u>Sec. 56. Electronic gaming.</u>
- 6 (a) A person, firm, or corporation having operating control
- 7 of a racetrack may apply to the Gaming Board for an electronic
- 8 gaming license. An electronic gaming license shall authorize
- 9 its holder to conduct gambling using slot machines, video games
- of chance, electronic gambling games, or any combination of
- 11 these on the grounds of the race track controlled by the
- 12 licensee's race track. Only one electronic gaming license may
- 13 be awarded for any race track. Each license shall specify the
- 14 number of slot machines, video games of chance, or electronic
- 15 gambling games that its holder may operate.
- An electronic gaming licensee may not permit persons under
- 17 21 years of age to be present in its electronic gaming
- 18 facility, but the licensee may accept wagers on live racing and
- 19 inter-track wagers at its electronic gaming facility.
- 20 (b) The gross gaming receipts by an electronic gaming
- 21 licensee from electronic gaming remaining after the payment of
- taxes under Section 13 of the Riverboat Gambling Act shall be
- 23 distributed as follows:
- 24 (1) An amount equal to 11% of the gross gaming receipts
- shall be paid to purse accounts at the track at which the

- 1 <u>organization licensee conducts racing.</u>
- 2 (2) The remainder shall be retained by the electronic
- 3 gaming licensee.
- 4 Section 10. The Riverboat Gambling Act is amended by
- 5 changing Sections 3, 4, 5, 8, 9, 11, 11.1, 12, 13, 14, 18, 19,
- 6 20, and 23 and by adding Sections 7.6 and 7.7 as follows:
- 7 (230 ILCS 10/3) (from Ch. 120, par. 2403)
- 8 Sec. 3. Riverboat Gambling Authorized.
- 9 (a) Riverboat gambling operations and electronic gaming
- 10 <u>operations</u> and the system of wagering incorporated therein, as
- 11 defined in this Act, are hereby authorized to the extent that
- 12 they are carried out in accordance with the provisions of this
- 13 Act.
- 14 (b) This Act does not apply to the pari-mutuel system of
- 15 wagering used or intended to be used in connection with the
- 16 horse-race meetings as authorized under the Illinois Horse
- 17 Racing Act of 1975, lottery games authorized under the Illinois
- 18 Lottery Law, bingo authorized under the Bingo License and Tax
- 19 Act, charitable games authorized under the Charitable Games Act
- 20 or pull tabs and jar games conducted under the Illinois Pull
- 21 Tabs and Jar Games Act. This Act does apply to electronic
- 22 gaming authorized under the Illinois Horse Racing Act of 1975
- 23 to the extent provided in that Act and in this Act.
- 24 (c) Riverboat gambling conducted pursuant to this Act may

- 1 be authorized upon any water within the State of Illinois or
- 2 any water other than Lake Michigan which constitutes a boundary
- 3 of the State of Illinois. A licensee may conduct riverboat
- 4 gambling authorized under this Act regardless of whether it
- 5 conducts excursion cruises. A licensee may permit the
- 6 continuous ingress and egress of passengers for the purpose of
- 7 gambling.
- 8 (d) Gambling that is conducted in accordance with this Act
- 9 using slot machines and video games of chance and other
- 10 electronic gambling games as defined in both the Riverboat
- Gambling Act and the Horse Racing Act of 1975.
- 12 (Source: P.A. 91-40, eff. 6-25-99.)
- 13 (230 ILCS 10/4) (from Ch. 120, par. 2404)
- 14 Sec. 4. Definitions. As used in this Act:
- 15 (a) "Board" means the Illinois Gaming Board.
- 16 (b) "Occupational license" means a license issued by the
- Board to a person or entity to perform an occupation which the
- 18 Board has identified as requiring a license to engage in
- 19 riverboat gambling in Illinois.
- 20 (c) "Gambling game" includes, but is not limited to,
- 21 baccarat, twenty-one, poker, craps, slot machine, video game of
- 22 chance, roulette wheel, klondike table, punchboard, faro
- 23 layout, keno layout, numbers ticket, push card, jar ticket, or
- 24 pull tab which is authorized by the Board as a wagering device
- 25 under this Act.

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1	(d) "Riverboat" means a self-propelled excursion boat, a
2	permanently moored barge, or permanently moored barges that are
3	permanently fixed together to operate as one vessel, on which
4	lawful gambling is authorized and licensed as provided in this
5	Act.

- 6 (e) "Managers license" means a license issued by the Board 7 to a person or entity to manage gambling operations conducted 8 by the State pursuant to Section 7.3.
 - (f) "Dock" means the location where a riverboat moors for the purpose of embarking passengers for and disembarking passengers from the riverboat.
 - (g) "Whole gaming Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens or electronic cards by riverboat patrons or electronic gaming patrons.
 - (h) "Gross gaming Adjusted gross receipts" means the whole gaming gross receipts less winnings paid to wagerers.
 - (i) "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.
- 20 (j) "Department" means the Department of Revenue.
 - (k) "Gambling operation" means the conduct of authorized gambling games authorized under this Act upon a riverboat or authorized under this Act and the Illinois Horse Racing Act of 1975 at an electronic gaming facility.
 - (1) "License bid" means the lump sum amount of money that an applicant bids and agrees to pay the State in return for an

- owners license that is re-issued on or after July 1, 2003. 1
- 2 (m) The terms "minority person" and "female" shall have the
- 3 same meaning as defined in Section 2 of the Business Enterprise
- 4 for Minorities, Females, and Persons with Disabilities Act.
- 5 "Owners license" means a license to conduct riverboat
- gambling operations, but does not include an electronic gaming 6
- 7 license.
- 8 "Licensed owner" means a person who holds an owners
- license. 9
- 10 "Electronic gaming" means the conduct of gambling using
- 11 slot machines, video games of chance, and electronic gambling
- 12 games licensed under this Act at a race track licensed under
- 13 the Illinois Horse Racing Act of 1975 pursuant to the Illinois
- 14 Horse Racing Act of 1975 and this Act.
- "Electronic gaming facility" means the area where the Board 15
- 16 has authorized electronic gaming at a race track of an
- 17 organization licensee under the Illinois Horse Racing Act of
- 1975 that holds an electronic gaming license. 18
- 19 "Electronic gaming license" means a license issued by the
- 20 Board under Section 7.6 of this Act authorizing electronic
- 21 gaming at an electronic gaming facility.
- 22 "Electronic gaming licensee" means an entity that holds an
- 23 electronic gaming license.
- 24 "Organization licensee" means an entity authorized by the
- 25 Illinois Racing Board to conduct pari-mutuel wagering in
- accordance with the Illinois Horse Racing Act of 1975. With 26

- 1 respect only to electronic gaming, "organization licensee"
- 2 includes the authorization for electronic gaming created under
- 3 <u>subsection (a) of Section 56 of the Illinois Horse Racing Act</u>
- 4 of 1975.

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- 5 (Source: P.A. 95-331, eff. 8-21-07.)
- 6 (230 ILCS 10/5) (from Ch. 120, par. 2405)
- 7 Sec. 5. Gaming Board.
- 8 (a) (1) There is hereby established within the Department 9 of Revenue an Illinois Gaming Board which shall have the powers 10 and duties specified in this Act, and all other powers 11 necessary and proper to fully and effectively execute this Act 12 for the purpose of administering, regulating, and enforcing the system of riverboat gambling established by this Act. Its 1.3 14 jurisdiction shall extend under this Act to every person, 15 association, corporation, partnership and trust involved in 16 riverboat gambling operations in the State of Illinois.
 - (2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be chairman. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each member shall either be a resident of Illinois or shall certify that he will become a resident of Illinois before taking office. At least one member shall be experienced in law enforcement and criminal investigation, at least one member shall be a

- certified public accountant experienced in accounting and auditing, and at least one member shall be a lawyer licensed to practice law in Illinois.
 - (3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.
 - (4) Each member of the Board shall receive \$300 for each day the Board meets and for each day the member conducts any hearing pursuant to this Act. Each member of the Board shall also be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of official duties.
 - (5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track,

- race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other incidental expenses. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.
- (6) Any member of the Board may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office.
- (7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of

- neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.
 - (8) Upon the request of the Board, the Department shall employ such personnel as may be necessary to carry out the functions of the Board. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in conducting horse racing within this State. Any employee violating these prohibitions shall be subject to termination of employment.
 - (9) An Administrator shall perform any and all duties that the Board shall assign him. The salary of the Administrator shall be determined by the Board and approved by the Director of the Department and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge of his official duties. The Administrator shall keep records of all proceedings of the Board and shall preserve all records, books, documents and other papers belonging to the Board or entrusted to its care. The Administrator shall devote his full time to the duties of the office and shall not hold any other office or employment.
 - (b) The Board shall have general responsibility for the implementation of this Act. Its duties include, without

limitation, the following:

- (1) To decide promptly and in reasonable order all license applications. Any party aggrieved by an action of the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of the action of the Board. Notice of the action of the Board shall be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail shall be deemed complete on the business day following the date of such mailing. The Board shall conduct all requested hearings promptly and in reasonable order:
- (2) To conduct all hearings pertaining to civil violations of this Act or rules and regulations promulgated hereunder;
- (3) To promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of gambling operations authorized by this Act and the regulatory process hereunder;
- (4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State

Gaming Fund;

- (5) To provide for the levy and collection of penalties and fines for the violation of provisions of this Act and the rules and regulations promulgated hereunder. All such fines and penalties shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois;
- (6) To be present through its inspectors and agents any time gambling operations are conducted on any riverboat or at any electronic gaming facility for the purpose of certifying the revenue thereof, receiving complaints from the public, and conducting such other investigations into the conduct of the gambling games and the maintenance of the equipment as from time to time the Board may deem necessary and proper;
- (7) To review and rule upon any complaint by a licensee regarding any investigative procedures of the State which are unnecessarily disruptive of gambling operations. The need to inspect and investigate shall be presumed at all times. The disruption of a licensee's operations shall be proved by clear and convincing evidence, and establish that: (A) the procedures had no reasonable law enforcement purposes, and (B) the procedures were so disruptive as to unreasonably inhibit gambling operations;
- (8) To hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by

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the Chairman or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

- (9) To maintain records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings;
 - (10) To file a written annual report with the Governor

on or before March 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional information and recommendations which the Board may deem valuable or which the Governor may request;

(11) (Blank);

- (12) To assume responsibility for the administration and enforcement of the Bingo License and Tax Act, the Charitable Games Act, and the Pull Tabs and Jar Games Act if such responsibility is delegated to it by the Director of Revenue; and
- (13) To assume responsibility for administration and enforcement of the Video Gaming Act.
- (c) The Board shall have jurisdiction over and shall supervise all gambling operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:
 - (1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.
 - (2) To have jurisdiction and supervision over all riverboat gambling operations authorized under this Act in this State and all persons in places on riverboats where

gambling operations are conducted.

- (3) To promulgate rules and regulations for the purpose of administering the provisions of this Act and to prescribe rules, regulations and conditions under which all riverboat gambling operations subject to this Act in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of riverboat gambling, including rules and regulations regarding the inspection of electronic qaming facilities and such riverboats and the review of any permits or licenses necessary to operate a riverboat or electronic gaming facility under any laws or regulations applicable to riverboats and electronic gaming facilities, and to impose penalties for violations thereof.
- (4) To enter the office, riverboats, <u>electronic gaming</u> <u>facilities</u>, <u>and other</u> facilities, or other places of business of a licensee, where evidence of the compliance or noncompliance with the provisions of this Act is likely to be found.
- (5) To investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.
 - (6) To adopt standards for the licensing of all persons

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under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.

- (7) To adopt appropriate standards for all <u>electronic</u> gaming facilities, riverboats, and <u>other</u> facilities authorized under this Act.
- (8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders and final decisions promulgated under this Act.
- (9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules.
 - (10) To prescribe a form to be used by any licensee

involved in the ownership or management of gambling operations as an application for employment for their employees.

- (11) To revoke or suspend licenses, as the Board may see fit and in compliance with applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license or an electronic gaming license, without notice or hearing, upon a determination that the safety or health of patrons or employees is jeopardized by continuing a gambling operation conducted under that license a riverboat's operation. The suspension may remain in effect until the Board determines that the cause for suspension has been abated. The Board may revoke the owners license or the electronic gaming license upon a determination that the licensee owner has not made satisfactory progress toward abating the hazard.
- (12) To eject or exclude or authorize the ejection or exclusion of, any person from riverboat gambling facilities where that such person is in violation of this Act, rules and regulations thereunder, or final orders of the Board, or where such person's conduct or reputation is such that his or her presence within the riverboat gambling facilities may, in the opinion of the Board, call into question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof;

provided that the propriety of such ejection or exclusion is subject to subsequent hearing by the Board.

- (13) To require all licensees of gambling operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which shall be used only for wagering in the gambling establishment.
 - (14) (Blank).
- electronic gaming licenses, to require the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily whole gaming gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to riverboat gambling operations.
- (16) To hire employees to gather information, conduct investigations and carry out any other tasks contemplated under this Act.
- (17) To establish minimum levels of insurance to be maintained by licensees.
 - (18) To authorize a licensee to sell or serve alcoholic

liquors, wine or beer as defined in the Liquor Control Act of 1934 on board a riverboat and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat is an exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat. This amendatory Act of 1991 is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

- (19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.
- (20) To delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and its rules and regulations hereunder.
- (20.6) To appoint investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act, as deemed necessary by the

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Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be limited to offenses or violations occurring or committed on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law.

(20.7) To contract with the Department of State Police for the use of trained and qualified State police officers and with the Department of Revenue for the use of trained qualified Department of Revenue investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and to exercise all of the rights and powers of peace officers, provided that the powers of Department of Revenue investigators under this subdivision (20.7) shall be limited to offenses violations occurring or committed on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law. In the event the Department of State Police or the Department of unable contracted police Revenue is to fill investigative positions, the Board may appoint investigators to fill those positions pursuant to subdivision (20.6).

- (21) To make rules concerning the conduct of electronic gaming.
 - (22) $\frac{(21)}{(21)}$ To take any other action as may be reasonable

- or appropriate to enforce this Act and rules and regulations hereunder.
- (d) The Board may seek and shall receive the cooperation of 3 the Department of State Police in conducting background 4 5 investigations of applicants and in fulfilling 6 responsibilities under this Section. Costs incurred by the 7 Department of State Police as a result of such cooperation 8 shall be paid by the Board in conformance with the requirements 9 of Section 2605-400 of the Department of State Police Law (20 10 ILCS 2605/2605-400).
- 11 (e) The Board must authorize to each investigator and to
 12 any other employee of the Board exercising the powers of a
 13 peace officer a distinct badge that, on its face, (i) clearly
 14 states that the badge is authorized by the Board and (ii)
 15 contains a unique identifying number. No other badge shall be
 16 authorized by the Board.
- 17 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; revised 8-20-09.)
- 19 (230 ILCS 10/7.6 new)
- Sec. 7.6. Electronic gaming.
- 21 (a) The General Assembly finds that the horse racing and
 22 riverboat gambling industries share many similarities and
 23 collectively comprise the bulk of the State's gaming industry.
 24 One feature common to both industries is that each is highly
 25 regulated by the State of Illinois. The General Assembly

industry is distinct from the other in that horse racing is and continues to be intimately tied to Illinois' agricultural economy and is, at its core, a spectator sport. This distinction requires the General Assembly to utilize different methods to regulate and promote the horse racing industry throughout the State. The General Assembly finds that in order to promote live horse racing as a spectator sport in Illinois and the agricultural economy of this State, it is necessary to allow electronic gaming at Illinois race tracks as an ancillary use given the success of other states in increasing live racing purse accounts and improving the quality of horses participating in horse race meetings.

(b) The Illinois Gaming Board shall award one electronic gaming license to each organization licensee that conducts live horse racing under the Illinois Horse Racing Act of 1975 at the organization licensee's race track, subject to the application and eliqibility requirements of this Section. Within 60 days after the effective date of this amendatory Act of the 96th General Assembly, an organization licensee may submit an application for an electronic gaming license. The application shall specify the number of gaming positions the applicant intends to use.

The Board shall determine within 120 days after receiving an application for an electronic gaming license, whether to grant an electronic gaming license to the organization

1	licensee.	If the Bo	oard do	oes not	make	a det	ermin	ation	n wit	chin	120
2	days, the	Board	shall	give	a wri	itten	expl	Lanat	ion	to	the
3	organizatio	on lice	nsee	as to	why	it	has	not	rea	ched	l a
4	determinat	ion and	when	it	reason	ably	expe	cts	to	make	: a
5	determinat	ion.									

The electronic gaming licensee shall purchase up to the amount of electronic gaming positions authorized under this Act within 120 days after receiving its electronic gaming license. If an electronic gaming licensee is prepared to purchase the electronic gaming positions, but is temporarily prohibited from doing so by order of a court of competent jurisdiction or the Board, then the 120-day period is tolled until a resolution is reached. If an electronic gaming licensee does purchase electronic gaming positions within the 120-day period, then the electronic gaming licensee shall not be estopped from proceeding to operate or operating electronic gaming positions, unless otherwise stated by a court of competent jurisdiction or the Board.

An electronic gaming license shall authorize its holder to conduct electronic gaming at its race track at the following times:

- (1) On days when it conducts live racing at the track where its electronic gaming facility is located, from 8:00 a.m. until 3:00 a.m. on the following day.
- (2) On days when it is scheduled to conduct simulcast wagering on races run in the United States, from 8:00 a.m.

- 1 <u>until 3:00 a.m. on the following day.</u>
- 2 A license to conduct electronic gaming and any renewal of
- 3 an electronic gaming license shall authorize electronic gaming
- 4 for a period of 4 years. The fee for the issuance or renewal of
- 5 an electronic gaming license shall be \$40,000.
- 6 (c) To be eligible to conduct electronic gaming, a person,
- 7 firm, or corporation must (i) obtain an electronic gaming
- 8 license, (ii) hold an organization license under the Illinois
- 9 Horse Racing Act of 1975, (iii) hold an inter-track wagering
- license, (iv) pay an initial fee of \$10,000 per gaming position
- 11 from electronic gaming licensees where electronic gaming is
- 12 conducted in Cook County and \$5,000 for electronic gaming
- 13 licensees where electronic gaming is located outside of Cook
- 14 County before beginning to conduct electronic gaming plus make
- the reconciliation payment required under subsection (h), (v)
- 16 conduct at least 30 days of live racing per year, (vi) meet the
- 17 requirements of subsection (a) of Section 56 of the Illinois
- 18 Horse Racing Act of 1975, and (vii) meet all other requirements
- of this Act that apply to owners licensees. Only those persons,
- 20 firms, or corporations (or its successors or assigns) that had
- 21 operating control of a race track and held an inter-track
- 22 wagering license authorized by the Illinois Racing Board in
- 23 2009 are eligible.
- 24 All payments by licensees under this subsection (c) shall
- 25 be deposited into the Capital Projects Fund.
- 26 (d) The Board may approve electronic gaming positions

statewide as provided in this Section. The authority to operate electronic gaming positions under this Section shall be allocated as follows: up to 1,200 gaming positions for any organization licensee in Cook County and up to 900 gaming positions for any organization licensee outside of Cook County.

(e) Subject to the approval of the Illinois Gaming Board, an electronic gaming licensee may make modification or additions to any existing buildings and structures to comply with the requirements of this Act. The Illinois Gaming Board shall make its decision after consulting with the Illinois Racing Board. In no case, however, shall the Illinois Gaming Board approve any modification or addition that alters the grounds of the organizational licensee such that the act of live racing is an ancillary activity to electronic gaming. Electronic gaming may take place in existing structures where inter-track wagering is conducted at the race track or a facility within 300 yards of the race track in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(f) An electronic gaming licensee may conduct electronic gaming at a temporary facility pending the construction of a permanent facility or the remodeling of an existing facility to accommodate electronic gaming participants for up to 12 months after receiving an electronic gaming license. Upon request by an electronic gaming licensee and upon a showing of good cause by the electronic gaming licensee, the Board shall extend the

- period during which the licensee may conduct electronic gaming

 at a temporary facility by up to 12 months. The Board shall

 make rules concerning the conduct of electronic gaming from

 temporary facilities.
 - (g) The Illinois Gaming Board must adopt emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act as necessary to ensure compliance with the provisions of this amendatory Act of the 96th General Assembly concerning electronic gaming. The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.
 - (h) Each organization license who obtains electronic gaming positions must make a reconciliation payment 4 years after the date the electronic gaming licensee begins operating the positions in an amount equal to 25% of the net gross gaming receipts from electronic gaming for the most lucrative 12-month period of operations, minus an amount equal to the initial \$10,000 or \$5,000 per electronic gaming position initial payment. If this calculation results in a negative amount, then the electronic gaming licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 5 years, subject to Board approval. However, the total payment of the reconciliation shall not exceed \$50,000,000.
 - All payments by licensees under this subsection (h) shall be deposited into the Capital Projects Fund.

- 1 (i) As soon as practical after a request is made by the
- 2 Illinois Gaming Board, to minimize duplicate submissions by the
- 3 applicant, the Illinois Racing Board must provide information
- 4 on an applicant for an electronic gaming license to the
- 5 Illinois Gaming Board.
- 6 (230 ILCS 10/7.7 new)
- 7 Sec. 7.7. Home rule. The regulation and licensing of
- 8 <u>electronic gaming and electronic gaming licensees are</u>
- 9 exclusive powers and functions of the State. A home rule unit
- 10 may not regulate or license electronic gaming or electronic
- 11 gaming licensees. This Section is a denial and limitation of
- 12 home rule powers and functions under subsection (h) of Section
- 13 6 of Article VII of the Illinois Constitution.
- 14 (230 ILCS 10/8) (from Ch. 120, par. 2408)
- 15 Sec. 8. Suppliers licenses.
- 16 (a) The Board may issue a suppliers license to such
- persons, firms or corporations which apply therefor upon the
- 18 payment of a non-refundable application fee set by the Board,
- 19 upon a determination by the Board that the applicant is
- 20 eligible for a suppliers license and upon payment of a \$5,000
- 21 annual license fee.
- 22 (b) The holder of a suppliers license is authorized to sell
- or lease, and to contract to sell or lease, gambling equipment
- 24 and supplies to any licensee involved in the ownership or

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- 1 management of gambling operations.
- 2 (c) Gambling supplies and equipment may not be distributed 3 unless supplies and equipment conform to standards adopted by 4 rules of the Board.
- 5 (d) A person, firm or corporation is ineligible to receive 6 a suppliers license if:
 - (1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;
 - (2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961, or substantially similar laws of any other jurisdiction;
 - (3) the person has submitted an application for a license under this Act which contains false information;
 - (4) the person is a member of the Board;
 - (5) the firm or corporation is one in which a person defined in (1), (2), (3) or (4), is an officer, director or managerial employee;
 - (6) the firm or corporation employs a person who participates in the management or operation of riverboat gambling authorized under this Act;
 - (7) the license of the person, firm or corporation issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.
 - (e) Any person that supplies any equipment, devices, or supplies to a licensed riverboat gambling operation or

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electronic gaming operation must first obtain a suppliers license. A supplier shall furnish to the Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games authorized under this Act. A supplier shall keep books and records for the furnishing of supplies to gambling devices and separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name to all its equipment, devices, and supplies for gambling operations. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A holder of an owners license or an electronic gaming license A licensed owner may own its own equipment, devices and supplies. Each holder of an owners license or an electronic gaming license under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

- (f) Any person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.
- (g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat or at the electronic gaming facility or removed from the riverboat or electronic gaming facility to a an on-shore facility owned by the holder of an owners license or electronic

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- 1 gaming license for repair.
- 2 (Source: P.A. 86-1029; 87-826.)
- 3 (230 ILCS 10/9) (from Ch. 120, par. 2409)
- 4 Sec. 9. Occupational licenses.
 - (a) The Board may issue an occupational license to an applicant upon the payment of a non-refundable fee set by the Board, upon a determination by the Board that the applicant is eligible for an occupational license and upon payment of an annual license fee in an amount to be established. To be eligible for an occupational license, an applicant must:
 - (1) be at least 21 years of age if the applicant will perform any function involved in gaming by patrons. Any applicant seeking an occupational license for a non-gaming function shall be at least 18 years of age;
 - (2) not have been convicted of a felony offense, a violation of Article 28 of the Criminal Code of 1961, or a similar statute of any other jurisdiction, or a crime involving dishonesty or moral turpitude;
 - (3) have demonstrated a level of skill or knowledge which the Board determines to be necessary in order to operate gambling aboard a riverboat or at an electronic gaming facility; and
 - (4) have met standards for the holding of an occupational license as adopted by rules of the Board. Such rules shall provide that any person or entity seeking an

- occupational license to manage gambling operations hereunder shall be subject to background inquiries and further requirements similar to those required of applicants for an owners license. Furthermore, such rules shall provide that each such entity shall be permitted to manage gambling operations for only one licensed owner.
 - (b) Each application for an occupational license shall be on forms prescribed by the Board and shall contain all information required by the Board. The applicant shall set forth in the application: whether he has been issued prior gambling related licenses; whether he has been licensed in any other state under any other name, and, if so, such name and his age; and whether or not a permit or license issued to him in any other state has been suspended, restricted or revoked, and, if so, for what period of time.
 - (c) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.
 - (d) The Board may in its discretion refuse an occupational license to any person: (1) who is unqualified to perform the duties required of such applicant; (2) who fails to disclose or states falsely any information called for in the application;

- 1 (3) who has been found guilty of a violation of this Act or 2 whose prior gambling related license or application therefor 3 has been suspended, restricted, revoked or denied for just
- cause in any other state; or (4) for any other just cause.

 5 (e) The Board may suspend, revoke or restrict
 - (e) The Board may suspend, revoke or restrict any occupational licensee: (1) for violation of any provision of this Act; (2) for violation of any of the rules and regulations of the Board; (3) for any cause which, if known to the Board, would have disqualified the applicant from receiving such license; or (4) for default in the payment of any obligation or debt due to the State of Illinois; or (5) for any other just cause.
- (f) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.
 - (g) Any license issued pursuant to this Section shall be valid for a period of one year from the date of issuance.
 - (h) Nothing in this Act shall be interpreted to prohibit a licensed owner or electronic gaming licensee from entering into an agreement with a school approved under the Private Business and Vocational Schools Act for the training of any occupational licensee. Any training offered by such a school shall be in accordance with a written agreement between the licensed owner or electronic gaming licensee and the school.
 - (i) Any training provided for occupational licensees may be conducted either at the site of the gambling facility on the riverboat or at a school with which a licensed owner or

- 1 <u>electronic gaming licensee</u> has entered into an agreement
- 2 pursuant to subsection (h).
- 3 (Source: P.A. 86-1029; 87-826.)
- 4 (230 ILCS 10/11) (from Ch. 120, par. 2411)
- Sec. 11. Conduct of gambling. Gambling may be conducted by licensed owners or licensed managers on behalf of the State
- 7 aboard riverboats. Gambling may be conducted by electronic
- 8 gaming licensees at electronic gaming facilities. Gambling
- 9 <u>authorized under this Section shall be</u>, subject to the
- 10 following standards:
- 11 (1) A licensee may conduct riverboat gambling
- 12 authorized under this Act regardless of whether it conducts
- excursion cruises. A licensee may permit the continuous
- ingress and egress of <u>patrons</u> passengers for the purpose of
- 15 gambling.
- 16 (2) (Blank).
- 17 (3) Minimum and maximum wagers on games shall be set by
- the licensee.
- 19 (4) Agents of the Board and the Department of State
- 20 Police may board and inspect any riverboat or enter and
- inspect any portion of an electronic gaming facility at any
- 22 time for the purpose of determining whether this Act is
- 23 being complied with. Every riverboat, if under way and
- being hailed by a law enforcement officer or agent of the
- Board, must stop immediately and lay to.

(5) Ei	mployee	es of	the Board	d sha	all ha	ve the	right	to be
present o	n the	riverb	oat or c	on ad	ljacen	t facil	ities	under
the contr	ol of	the li	icensee <u>a</u>	and a	t the	electr	onic	gaming
facility	under	the	control	of	the	electro	nic	gaming
licensee.								

- (6) Gambling equipment and supplies customarily used in conducting riverboat gambling or electronic qaming must be purchased or leased only from suppliers licensed for such purpose under this Act.
- (7) Persons licensed under this Act shall permit no form of wagering on gambling games except as permitted by this Act.
- (8) Wagers may be received only from a person present on a licensed riverboat or at an electronic gaming facility. No person present on a licensed riverboat or at an electronic gaming facility shall place or attempt to place a wager on behalf of another person who is not present on the riverboat or at the electronic gaming facility.
- (9) Wagering, including electronic gaming, shall not be conducted with money or other negotiable currency.
- (10) A person under age 21 shall not be permitted on an area of a riverboat where gambling is being conducted or at an electronic gaming facility where gambling is being conducted, except for a person at least 18 years of age who is an employee of the riverboat gambling operation or

<u>electronic gaming operation</u>. No employee under age 21 shall perform any function involved in gambling by the patrons. No person under age 21 shall be permitted to make a wager under this Act.

- (11) Gambling excursion cruises are permitted only when the waterway for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.
- wagers must be purchased (i) from a licensed owner or manager either aboard a riverboat or at an onshore facility which has been approved by the Board and which is located where the riverboat docks or (ii) from an electronic qaming licensee at the electronic qaming facility. The tokens, chips or electronic cards may be purchased by means of an agreement under which the owner or manager extends credit to the patron. Such tokens, chips or electronic cards may be used while aboard the riverboat or at the electronic gaming facility only for the purpose of making wagers on gambling games.
- (13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, the Board may issue special event licenses allowing persons

who are not otherwise licensed to conduct riverboat gambling to conduct such gambling on a specified date or series of dates. Riverboat gambling under such a license may take place on a riverboat not normally used for riverboat gambling. The Board shall establish standards, fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and limitations otherwise applicable under this Act. All such fees shall be deposited into the State Gaming Fund. All such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(14) In addition to the above, gambling must be conducted in accordance with all rules adopted by the Board.

(Source: P.A. 93-28, eff. 6-20-03.)

17 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

Sec. 11.1. Collection of amounts owing under credit agreements. Notwithstanding any applicable statutory provision to the contrary, a licensed owner, or manager, or electronic gaming licensee who extends credit to a riverboat gambling patron or an electronic gaming patron pursuant to Section 11 (a) (12) of this Act is expressly authorized to institute a cause of action to collect any amounts due and owing under the extension of credit, as well as the owner's or manager's costs,

- 1 expenses and reasonable attorney's fees incurred in
- 2 collection.
- 3 (Source: P.A. 93-28, eff. 6-20-03.)
- 4 (230 ILCS 10/12) (from Ch. 120, par. 2412)
- 5 Sec. 12. Admission tax; fees.
- (a) A tax is hereby imposed upon admissions to riverboats 6 7 operated by licensed owners authorized pursuant to this Act. 8 Until July 1, 2002, the rate is \$2 per person admitted. From July 1, 2002 until July 1, 2003, the rate is \$3 per person 9 10 admitted. From July 1, 2003 until the effective date of this 11 amendatory Act of the 94th General Assembly, for a licensee 12 that admitted 1,000,000 persons or fewer in the previous 13 calendar year, the rate is \$3 per person admitted; for a 14 licensee that admitted more than 1,000,000 but no more than 15 2,300,000 persons in the previous calendar year, the rate is \$4 16 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 17 18 per person admitted. Beginning on the effective date of this amendatory Act of the 94th General Assembly, for a licensee 19 20 that admitted 1,000,000 persons or fewer in calendar year 2004, 21 the rate is \$2 per person admitted, and for all other licensees 22 the rate is \$3 per person admitted. This admission tax is 23 imposed upon the licensed owner conducting gambling.
- 24 (1) The admission tax shall be paid for each admission, 25 except that a person who exits a riverboat gambling

facility and reenters that riverboat gambling facility
within the same gaming day shall be subject only to the
initial admission tax.

- (2) (Blank).
- (3) The riverboat licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the riverboat.
- (4) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.
- (a-5) A fee is hereby imposed upon admissions operated by licensed managers on behalf of the State pursuant to Section 7.3 at the rates provided in this subsection (a-5). For a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted.
 - (1) The admission fee shall be paid for each admission.
- 24 (2) (Blank).
- 25 (3) The licensed manager may issue fee-free passes to 26 actual and necessary officials and employees of the manager

- or other persons actually working on the riverboat.
- 2 (4) The number and issuance of fee-free passes is 3 subject to the rules of the Board, and a list of all 4 persons to whom the fee-free passes are issued shall be 5 filed with the Board.
 - (b) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality, and a county shall receive \$1 for each person embarking on a riverboat docked within the county but outside the boundaries of any municipality. The municipality's or county's share shall be collected by the Board on behalf of the State and remitted quarterly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.
 - (c) The licensed owner shall pay the entire admission tax to the Board and the licensed manager shall pay the entire admission fee to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the owners or managers license.
 - (c-5) A tax is imposed on admissions to electronic gaming facilities at the rate of \$3 per person admitted by an electronic gaming licensee. The tax is imposed upon the

electronic g	aming]	licensee.
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- (1) The admission tax shall be paid for each admission, except that a person who exits an electronic gaming facility and reenters that electronic gaming facility within the same gaming day, as the term "gaming day" is defined by the Board by rule, shall be subject only to the initial admission tax. The Board shall establish, by rule, a procedure to determine whether a person admitted to an electronic gaming facility has paid the admission tax.
- (2) An electronic gaming licensee may issue tax-free passes to actual and necessary officials and employees of the licensee and other persons associated with electronic gaming operations.
- (3) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.
- (4) The electronic gaming licensee shall pay the entire admission tax to the Board.
- Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board, which shall include other information regarding admission as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the organization licensee's license.
- From the tax imposed under this subsection (c-5), the

- 1 municipality in which an electronic gaming facility is located
- 2 <u>or, if the electronic gaming facility is not located within a</u>
- 3 municipality, the county in which the electronic gaming
- 4 facility is located shall receive, subject to appropriation, \$1
- 5 for each person who enters the electronic gaming facility. For
- 6 each admission to the electronic gaming facility in excess of
- 7 <u>1,500,000</u> in a year, from the tax imposed under this subsection
- 8 (c-5), the county in which the electronic gaming facility is
- 9 located shall receive, subject to appropriation, \$0.30, which
- shall be in addition to any other moneys paid to the county
- 11 under this Section and \$0.20 shall be paid into the
- 12 Agricultural Premium Fund.
- 13 After payments made under this subsection (c-5), all
- 14 remaining amounts shall be deposited into the Capital Projects
- Fund.
- 16 (d) The Board shall administer and collect the admission
- 17 tax imposed by this Section, to the extent practicable, in a
- 18 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
- 19 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
- 20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
- 21 Penalty and Interest Act.
- 22 (Source: P.A. 94-673, eff. 8-23-05; 95-663, eff. 10-11-07.)
- 23 (230 ILCS 10/13) (from Ch. 120, par. 2413)
- Sec. 13. Wagering tax; rate; distribution.
- 25 (a) Until January 1, 1998, a tax is imposed on the adjusted

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- gross receipts received from gambling games authorized under this Act at the rate of 20%.
 - (a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:
- 8 15% of annual adjusted gross receipts up to and including \$25,000,000;
- 20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;
- 25% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;
- 30% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;
- 35% of annual adjusted gross receipts in excess of \$100,000,000.
- is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:
- 25 15% of annual adjusted gross receipts up to and including \$25,000,000;

1	22.5% of annual adjusted gross receipts in excess of
2	\$25,000,000 but not exceeding \$50,000,000;
3	27.5% of annual adjusted gross receipts in excess of
4	\$50,000,000 but not exceeding \$75,000,000;
5	32.5% of annual adjusted gross receipts in excess of
6	\$75,000,000 but not exceeding \$100,000,000;
7	37.5% of annual adjusted gross receipts in excess of
8	\$100,000,000 but not exceeding \$150,000,000;
9	45% of annual adjusted gross receipts in excess of
10	\$150,000,000 but not exceeding \$200,000,000;
11	50% of annual adjusted gross receipts in excess of
12	\$200,000,000.
13	(a-3) Beginning July 1, 2003, a privilege tax is imposed on
14	persons engaged in the business of conducting riverboat
15	gambling operations, other than licensed managers conducting
16	riverboat gambling operations on behalf of the State, based on
17	the adjusted gross receipts received by a licensed owner from
18	gambling games authorized under this Act at the following
19	rates:
20	15% of annual adjusted gross receipts up to and
21	including \$25,000,000;
22	27.5% of annual adjusted gross receipts in excess of
23	\$25,000,000 but not exceeding \$37,500,000;
24	32.5% of annual adjusted gross receipts in excess of
25	\$37,500,000 but not exceeding \$50,000,000;
26	37.5% of annual adjusted gross receipts in excess of

- 1 \$50,000,000 but not exceeding \$75,000,000;
- 2 45% of annual adjusted gross receipts in excess of
- 3 \$75,000,000 but not exceeding \$100,000,000;
- 4 50% of annual adjusted gross receipts in excess of
- 5 \$100,000,000 but not exceeding \$250,000,000;
- 6 70% of annual adjusted gross receipts in excess of
- 7 \$250,000,000.
- 8 An amount equal to the amount of wagering taxes collected
- 9 under this subsection (a-3) that are in addition to the amount
- 10 of wagering taxes that would have been collected if the
- 11 wagering tax rates under subsection (a-2) were in effect shall
- 12 be paid into the Common School Fund.
- 13 The privilege tax imposed under this subsection (a-3) shall
- 14 no longer be imposed beginning on the earlier of (i) July 1,
- 15 2005; (ii) the first date after June 20, 2003 that riverboat
- 16 gambling operations are conducted pursuant to a dormant
- 17 license; or (iii) the first day that riverboat gambling
- 18 operations are conducted under the authority of an owners
- 19 license that is in addition to the 10 owners licenses initially
- 20 authorized under this Act. For the purposes of this subsection
- 21 (a-3), the term "dormant license" means an owners license that
- is authorized by this Act under which no riverboat gambling
- operations are being conducted on June 20, 2003.
- 24 (a-4) Beginning on the first day on which the tax imposed
- 25 under subsection (a-3) is no longer imposed, a privilege tax is
- 26 imposed on persons engaged in the business of conducting

Τ	riverboat gambling operations, other than litensed managers
2	conducting riverboat gambling operations on behalf of the
3	State, based on the adjusted gross receipts received by a
4	licensed owner from gambling games authorized under this Act at
5	the following rates:
6	15% of annual adjusted gross <u>gaming</u> receipts up to and
7	including \$25,000,000;
8	22.5% of annual adjusted gross <u>gaming</u> receipts in
9	excess of \$25,000,000 but not exceeding \$50,000,000;
10	27.5% of annual adjusted gross <u>gaming</u> receipts in
11	excess of \$50,000,000 but not exceeding \$75,000,000;
12	32.5% of annual adjusted gross <u>gaming</u> receipts in
13	excess of \$75,000,000 but not exceeding \$100,000,000;
14	37.5% of annual adjusted gross <u>gaming</u> receipts in
15	excess of \$100,000,000 but not exceeding \$150,000,000;
16	45% of annual adjusted gross <u>gaming</u> receipts in excess
17	of \$150,000,000 but not exceeding \$200,000,000;
18	50% of annual adjusted gross <u>gaming</u> receipts in excess
19	of \$200,000,000.
20	(a-5) Beginning on the effective date of this amendatory
21	Act of the 96th General Assembly, a privilege tax is imposed on
22	persons conducting electronic gaming, based on the gross gaming
23	receipts received by an electronic gaming licensee from
24	electronic gaming authorized under this Act at the following
25	rates:

15% of annual gross gaming receipts up to and including

1	<u>\$25,000,000;</u>
2	22.5% of annual gross gaming receipts in excess of
3	\$25,000,000 but not exceeding \$50,000,000;
4	27.5% of annual gross gaming receipts in excess of
5	\$50,000,000 but not exceeding \$75,000,000;
6	32.5% of annual gross gaming receipts in excess of
7	\$75,000,000 but not exceeding \$100,000,000;
8	37.5% of annual gross gaming receipts in excess of
9	\$100,000,000 but not exceeding \$150,000,000;
10	45% of annual gross gaming receipts in excess of
11	\$150,000,000 but not exceeding \$200,000,000;
12	50% of annual gross gaming receipts in excess of
13	\$200,000,000.
14	For the imposition of the privilege tax in this subsection
15	(a-5), amounts paid pursuant to subsection (b-1) of Section 56
16	of the Illinois Horse Racing Act shall not be included in the
17	determination of daily gross gaming receipts.
18	(a-8) Riverboat gambling operations conducted by a
19	licensed manager on behalf of the State are not subject to the
20	tax imposed under this Section.
21	(a-10) The taxes imposed by this Section shall be paid by
22	the licensed owner or the electronic gaming licensee to the
23	Board not later than $5:00$ o'clock p.m. $3:00$ o'clock p.m. of the
24	day after the day when the wagers were made.
25	(a-15) If the privilege tax imposed under subsection (a-3)
26	is no longer imposed pursuant to item (i) of the last paragraph

of subsection (a-3), then by June 15 of each year, each owners 1 2 licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to 3 the payment of all amounts otherwise due under this Section, 4 5 pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the 6 7 amount of net privilege tax paid by the licensed owner to the 8 Board in the then current State fiscal year. A licensed owner's 9 net privilege tax obligation due for the balance of the State 10 fiscal year shall be reduced up to the total of the amount paid 11 by the licensed owner in its June 15 reconciliation payment. 12 The obligation imposed by this subsection (a-15) is binding on 13 any person, firm, corporation, or other entity that acquires an 14 ownership interest in any such owners license. The obligation 15 imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective 16 17 date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a 18 dormant license, (iii) the first day that riverboat gambling 19 20 operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially 21 22 authorized under this Act, or (iv) the first day that a 23 licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming 24 25 devices. The Board must reduce the obligation imposed under 26 this subsection (a-15) by an amount the Board deems reasonable

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for any of the following reasons: (A) an act or acts of God,

(B) an act of bioterrorism or terrorism or a bioterrorism or

terrorism threat that was investigated by a law enforcement

agency, or (C) a condition beyond the control of the owners

licensee that does not result from any act or omission by the

owners licensee or any of its agents and that poses a hazardous

threat to the health and safety of patrons. If an owners

licensee pays an amount in excess of its liability under this

Section, the Board shall apply the overpayment to future

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

payments required under this Section.

- "Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.
- "Base amount" means the following:
- 17 For a riverboat in Alton, \$31,000,000.
- For a riverboat in East Peoria, \$43,000,000.
- 19 For the Empress riverboat in Joliet, \$86,000,000.
- For a riverboat in Metropolis, \$45,000,000.
- For the Harrah's riverboat in Joliet, \$114,000,000.
- 22 For a riverboat in Aurora, \$86,000,000.
- For a riverboat in East St. Louis, \$48,500,000.
- 24 For a riverboat in Elgin, \$198,000,000.
- "Dormant license" has the meaning ascribed to it in subsection (a-3).

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

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

(b) Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat. From the tax revenue deposited in the State Gaming Fund pursuant to riverboat gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat upon which those

riverboat gambling operations are conducted.

(b-5) Beginning on the effective date of this amendatory Act of the 96th General Assembly, from the tax revenue from electronic gaming deposited into the State Gaming Fund under this Section, an amount equal to 5% of the gross gaming receipts generated by an electronic gaming licensee shall be paid monthly, subject to appropriation, to the municipality in which the electronic gaming facility is located. If an electronic gaming facility is not located within a municipality, then an amount equal to 5% of the gross gaming receipts generated by the electronic gaming licensee shall be paid monthly, subject to appropriation, to the county in which the electronic gaming facility is located.

(b-10) Beginning on the effective date of this amendatory Act of the 96th General Assembly, from the tax revenue from electronic qaming deposited into the State Gaming Fund under this Section, an amount equal to 2% of the gross gaming receipts generated by an electronic gaming licensee, but in no event more than \$5,900,000 in any year, shall be paid monthly into the Illinois Colt Stakes Purse Distribution Fund to be used for horse racing purses at the Illinois State Fair and DuQuoin State Fair and county fairs and for bonus programs to pay owners of horses that win multiple stake races that are restricted to Illinois conceived and foaled horses.

(b-20) Beginning on the effective date of this amendatory

Act of the 96th General Assembly, after the payments required

under subsections (b), (b-5), and (b-10) have been made, from
the tax revenue from electronic gaming deposited into the State

Gaming Fund under this Section, an amount equal to 0.875% of
the gross gaming receipts generated by an electronic gaming
licensee shall be paid monthly to the Illinois Thoroughbred
Breeders Fund and .875% shall be paid monthly to the Illinois
Standardbred Breeders Fund.

(b-30) Beginning on the effective date of this amendatory act of the 96th General Assembly, after the payments required under subsections (b), (b-5), (b-10), and (b-20) have been made, from the tax revenue from electronic gaming deposited into the State Gaming Fund under this Section, an amount equal to one-twelfth of \$1,250,000 shall be paid monthly to the Illinois Racing Board for the purpose of making grants to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks.

(b-35) After payments required under subsections (b-5), (b-10), (b-20), and (b-30) have been made from the tax revenue from electronic gaming deposited into the State Gaming Fund under this Section, all remaining amounts from electronic gaming shall be deposited into the Capital Projects Fund.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Department of Revenue and the Department of State Police for the administration and enforcement of this Act and the Video Gaming

Act, or to the Department of Human Services for the administration of programs to treat problem gambling.

(c-5) (Blank). Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

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

(c-15) After the payments required under subsections (b), (b-5), (b-10), (b-20), (b-30), and (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2,

- (2) licensee conducting riverboat gambling owners operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.
 - (c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.
 - (c-25) After the payments required under subsections (b), (b-5), (b-10), (b-20), (b-30), (c), (e-5) and (c-15) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund to Chicago State University.
 - (d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education

- 1 Assistance Fund, created by Public Act 86-0018, of the State of
- 2 Illinois.
- 3 (e) Nothing in this Act shall prohibit the unit of local
- 4 government designated as the home dock of the riverboat from
- 5 entering into agreements with other units of local government
- 6 in this State or in other states to share its portion of the
- 7 tax revenue.
- 8 (f) To the extent practicable, the Board shall administer
- 9 and collect the wagering taxes imposed by this Section in a
- manner consistent with the provisions of Sections 4, 5, 5a, 5b,
- 11 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
- 12 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
- 13 Penalty and Interest Act.
- 14 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;
- 15 96-37, eff. 7-13-09.)
- 16 (230 ILCS 10/14) (from Ch. 120, par. 2414)
- 17 Sec. 14. Licensees Records Reports Supervision.
- 18 (a) Licensed owners and electronic gaming licensees A
- 19 licensed owner shall keep his books and records so as to
- 20 clearly show the following:

- (1) The amount received daily from admission fees.
- 22 (2) The total amount of whole gaming gross receipts.
- 23 (3) The total amount of the adjusted gross gaming receipts.
- 24 (b) Licensed owners and electronic gaming licensees The
- 25 licensed owner shall furnish to the Board reports and

- 1 information as the Board may require with respect to its
- 2 activities on forms designed and supplied for such purpose by
- 3 the Board.
- 4 (c) The books and records kept by a licensed owner as
- 5 provided by this Section are public records and the
- 6 examination, publication, and dissemination of the books and
- 7 records are governed by the provisions of The Freedom of
- 8 Information Act.
- 9 (Source: P.A. 86-1029.)
- 10 (230 ILCS 10/18) (from Ch. 120, par. 2418)
- 11 Sec. 18. Prohibited Activities Penalty.
- 12 (a) A person is guilty of a Class A misdemeanor for doing
- any of the following:
- 14 (1) Conducting gambling where wagering is used or to be
- used without a license issued by the Board.
- 16 (2) Conducting gambling where wagering is permitted
- other than in the manner specified by Section 11.
- 18 (b) A person is guilty of a Class B misdemeanor for doing
- 19 any of the following:
- 20 (1) permitting a person under 21 years to make a wager;
- 21 or
- 22 (2) violating paragraph (12) of subsection (a) of
- 23 Section 11 of this Act.
- 24 (c) A person wagering or accepting a wager at any location
- 25 outside the riverboat or electronic gaming facility in

- violation of paragraph is subject to the penalties in paragraphs (1) or (2) of subsection (a) of Section 28-1 of the Criminal Code of 1961 is subject to the penalties provided in that Section.
 - (d) A person commits a Class 4 felony and, in addition, shall be barred for life from gambling operations riverboats under the jurisdiction of the Board, if the person does any of the following:
 - (1) Offers, promises, or gives anything of value or benefit to a person who is connected with a riverboat owner or electronic gaming licensee including, but not limited to, an officer or employee of a licensed owner or electronic gaming licensee or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.
 - (2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with a riverboat or electronic gaming facility, including, but not limited to, an officer or employee of a licensed owner or electronic gaming licensee, or the holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of

1	value or benefit will influence the actions of the person
2	to affect or attempt to affect the outcome of a gambling
3	game, or to influence official action of a member of the
4	Board.

- (3) Uses or possesses with the intent to use a device to assist:
 - (i) In projecting the outcome of the game.
 - (ii) In keeping track of the cards played.
 - (iii) In analyzing the probability of the occurrence of an event relating to the gambling game.
 - (iv) In analyzing the strategy for playing or betting to be used in the game except as permitted by the Board.
 - (4) Cheats at a gambling game.
- (5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this Act.
- (6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.
- (7) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.
 - (8) Claims, collects, or takes, or attempts to claim,

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1	collect, or take, money or anything of value in or from the
2	gambling games, with intent to defraud, without having made
3	a wager contingent on winning a gambling game, or claims,
4	collects, or takes an amount of money or thing of value of
5	greater value than the amount won.

- (9) Uses counterfeit chips or tokens in a gambling game.
- (10) Possesses any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game. This paragraph (10) does not apply to a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment.
- (e) The possession of more than one of the devices described in subsection (d), paragraphs (3), (5) or (10) permits a rebuttable presumption that the possessor intended to use the devices for cheating.
- An action to prosecute any crime occurring on a riverboat shall be tried in the county of the dock at which the riverboat is based.
- 23 (Source: P.A. 91-40, eff. 6-25-99.)
- 24 (230 ILCS 10/19) (from Ch. 120, par. 2419)
- 25 Sec. 19. Forfeiture of property. (a) Except as provided in

subsection (b), any riverboat or electronic gaming facility used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 1961, as now or hereafter amended. Every gambling device found on a riverboat or at an electronic gaming facility operating gambling games in violation of this Act and every slot machine and video game of chance found at an electronic gaming facility operating gambling games in violation of this Act shall be subject to seizure, confiscation and destruction as provided in Section 28-5 of the Criminal Code of 1961, as now or hereafter amended.

(b) It is not a violation of this Act for a riverboat or other watercraft which is licensed for gaming by a contiguous state to dock on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State. No gambling device shall be subject to seizure, confiscation or destruction if the gambling device is located on a riverboat or other watercraft which is licensed for gaming by a contiguous state and which is docked on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State.

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1 (Source: P.A. 86-1029.)

2 (230 ILCS 10/20) (from Ch. 120, par. 2420)

Sec. 20. Prohibited activities - civil penalties. Any person who conducts a gambling operation without first obtaining a license to do so, or who continues to conduct such games after revocation of his license, or any licensee who conducts or allows to be conducted any unauthorized gambling games on a riverboat or at an electronic qaming facility where it is authorized to conduct its riverboat gambling operation, in addition to other penalties provided, shall be subject to a civil penalty equal to the amount of whole gaming gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted on that day as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.

16 (Source: P.A. 86-1029.)

17 (230 ILCS 10/23) (from Ch. 120, par. 2423)

Sec. 23. The State Gaming Fund. On or after the effective date of this Act, except as provided for payments into the Horse Racing Equity Trust Fund under subsection (a) of Section 7, all of the fees and taxes collected pursuant to this Act shall be deposited into the State Gaming Fund, a special fund in the State Treasury, which is hereby created. The adjusted gross gaming receipts of any riverboat gambling operations

- 1 conducted by a licensed manager on behalf of the State
- 2 remaining after the payment of the fees and expenses of the
- 3 licensed manager shall be deposited into the State Gaming Fund.
- 4 Fines and penalties collected pursuant to this Act shall be
- 5 deposited into the Education Assistance Fund, created by Public
- 6 Act 86-0018, of the State of Illinois.
- 7 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)
- 8 Section 15. The Criminal Code of 1961 is amended by
- 9 changing Section 28-5 and 28-7 as follows:
- 10 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)
- 11 Sec. 28-5. Seizure of gambling devices and gambling funds.
- 12 (a) Every device designed for gambling which is incapable
- of lawful use or every device used unlawfully for gambling
- shall be considered a "gambling device", and shall be subject
- 15 to seizure, confiscation and destruction by the Department of
- 16 State Police or by any municipal, or other local authority,
- 17 within whose jurisdiction the same may be found. As used in
- 18 this Section, a "gambling device" includes any slot machine,
- 19 and includes any machine or device constructed for the
- 20 reception of money or other thing of value and so constructed
- as to return, or to cause someone to return, on chance to the
- 22 player thereof money, property or a right to receive money or
- 23 property. With the exception of any device designed for
- 24 gambling which is incapable of lawful use, no gambling device

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- shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.
 - (b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.
 - (c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to any property interest in the seized property, representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property

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shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value received by State's the Attorney liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture

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and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate

civil proceedings in the manner provided by law.

- (e) Any gambling device displayed for sale to a riverboat gambling operation or used to train occupational licensees of a riverboat gambling operation as authorized under the Riverboat Gambling Act is exempt from seizure under this Section.
- 11 (f) Any gambling equipment, devices and supplies provided 12 by a licensed supplier in accordance with the Riverboat 13 Gambling Act which are removed from <u>a</u> the riverboat <u>or</u> 14 <u>electronic gaming facility</u> for repair are exempt from seizure 15 under this Section.
- 16 (Source: P.A. 87-826.)
- 17 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)
- 18 Sec. 28-7. Gambling contracts void.
- 19 All promises, notes, bills, bonds, covenants, 20 contracts, agreements, judgments, mortgages, other or 21 securities or conveyances made, given, granted, drawn, or 22 entered into, or executed by any person whatsoever, where the whole or any part of the consideration thereof is for any money 23 24 or thing of value, won or obtained in violation of any Section of this Article are null and void. 25

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- (b) Any obligation void under this Section may be set aside 1 2 and vacated by any court of competent jurisdiction, upon a complaint filed for that purpose, by the person so granting, 3 giving, entering into, or executing the same, or by his 4 5 executors or administrators, or by any creditor, heir, legatee, 6 purchaser or other person interested therein; or if a judgment, 7 the same may be set aside on motion of any person stated above, 8 on due notice thereof given.
 - (c) No assignment of any obligation void under this Section may in any manner affect the defense of the person giving, granting, drawing, entering into or executing such obligation, or the remedies of any person interested therein.
 - (d) This Section shall not prevent a licensed owner of a riverboat gambling operation or an electronic gaming licensee under the Riverboat Gambling Act and the Illinois Horse Racing Act of 1975 from instituting a cause of action to collect any amount due and owing under an extension of credit to a riverboat gambling patron as authorized under Section 11.1 of the Riverboat Gambling Act.
- 20 (Source: P.A. 87-826.)
- 21 (30 ILCS 105/5.490 rep.)
- Section 25. The State Finance Act is amended by repealing Section 5.490.
- 24 (230 ILCS 5/54 rep.)

- 1 Section 30. The Illinois Horse Racing Act of 1975 is
- 2 amended by repealing Section and 54.
- 3 Section 97. Severability. The provisions of this Act are
- 4 severable under Section 1.31 of the Statute on Statutes.
- 5 Section 99. Effective date. This Act takes effect upon
- 6 becoming law.

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