

## RATES FROM SLOTS AT TRACKS, ETC.

Sec. 56. Electronic gaming. (a) A person, firm, corporation, or limited liability company having operating control of a race track located in Cook, Will, or Rock Island counties may apply to the Gaming Board for an electronic gaming license. An electronic gaming license shall authorize its holder to conduct electronic gaming on the grounds of the race track controlled by the licensee's race track. Only one electronic gaming license may be awarded for any race track. A holder of an electronic gaming license shall be subject to the Illinois Gambling Act and rules of the Illinois Gaming Board concerning electronic gaming. If the person, firm, corporation, or limited liability company having operating control of a race track is found by the Illinois Gaming Board to be unsuitable for an electronic gaming license under the Illinois Gambling Act and rules of the Gaming Board, that person, firm, corporation, or limited liability company shall not be granted an electronic gaming license. Each license shall specify the number of gaming positions that its holder may operate. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 -215-09800SB1739ham004 LRB098 10559 AMC 56940 a An electronic gaming licensee may not permit persons under 21 years of age to be present in its electronic gaming facility, but the licensee may accept wagers on live racing and inter-track wagers at its electronic gaming facility. (b) For purposes of this subsection, "adjusted gross receipts" means an electronic gaming licensee's gross receipts less winnings paid to wagerers. The adjusted gross receipts by an electronic gaming licensee from electronic gaming remaining after the payment of taxes under Section 13 of the Illinois Gambling Act shall be distributed as follows: (1) Amounts shall be paid to the purse account at the track at which the organization licensee is conducting racing equal to the following: 12.75% of annual adjusted gross receipts up to and including \$75,000,000; 20% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000; 26.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$125,000,000; and 20.5% of annual adjusted gross receipts in excess of \$125,000,000. (2) The remainder shall be retained by the electronic gaming licensee. (c) Electronic gaming receipts placed into the purse account of an organization licensee racing thoroughbred horses shall be used for purses, for health care services or worker's 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 -216-09800SB1739ham004 LRB098 10559 AMC 56940 a compensation for racing industry workers, for equine research, for programs to care for and transition injured and retired thoroughbred horses that race at the race track, or for horse ownership promotion, in accordance with the agreement of the horsemen's association representing the largest number of owners and trainers who race at that organization licensee's race meetings. Annually, from the purse account of an organization licensee racing thoroughbred horses in this State, except for in Madison County, an amount equal to 12% of the electronic gaming receipts placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders Fund and shall be used for owner awards; a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of Section 30 of this Act, as specifically designated by the horsemen's association representing the largest number of owners and trainers who race at the organization licensee's race meetings. (e) The Illinois Gaming Board shall submit a report to the General Assembly on or before December 31, 2015 that examines the feasibility of conducting electronic gaming at the Illinois State Fairgrounds in Sangamon County. At a minimum, this report shall analyze the projected revenues that will be generated, the potential for cannibalization of existing riverboats, casinos, or other electronic gaming facilities, and the 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 -217-09800SB1739ham004 LRB098 10559 AMC 56940 a potential detriment to the surrounding area and its population. The report shall include the Illinois Gaming Board's findings together with appropriate recommendations for legislative action.

## RACING OPPORTUNITIES LANGUAGE

(e-1) In awarding standardbred racing dates for calendar year 2015 and thereafter, the Board shall award at least 310 racing days, and each organization licensee shall average at least 12 races for each racing day awarded. The Board shall have the discretion to allocate those racing days among organization licensees requesting standardbred racing dates. Once awarded by the Board, organization licensees awarded standardbred racing dates shall run at least 3,500 races in total during that calendar year. Standardbred racing conducted in Sangamon County shall not be considered races under this subsection (e-1).

(e-2) In awarding racing dates for calendar year 2015 and thereafter, the Board shall award thoroughbred racing days to Cook County organization licensees commensurate with these organization licensees' requirement that they shall run at least 1,950 thoroughbred races in the aggregate, so long as 2 organization licensees are conducting electronic gaming operations. Additionally, if the organization licensees that run thoroughbred races in Cook County are conducting electronic gaming operations, the Board shall increase the number of thoroughbred races to be run in Cook County in the aggregate to at least the following: (i) 2,050 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks total in excess of \$200,000,000, but do not exceed \$250,000,000; (ii) 2,125 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks total in excess of \$250,000,000, but do not exceed \$300,000,000; (iii) 2,200 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks total in excess of \$300,000,000, but do not exceed \$350,000,000; (iv) 2,300 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks total in excess of \$350,000,000, but do not exceed \$400,000,000; (v) 2,375 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks total in excess of \$400,000,000, but do not exceed \$450,000,000; (vi) 2,450 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks total in excess of \$450,000,000, but do not exceed \$500,000,000; (vii) 2,550 races in any year following the most recent preceding complete calendar year when the combined adjusted gross receipts of the electronic gaming licensees operating at Cook County race tracks exceeds \$500,000,000. In awarding racing dates under this subsection (e-2), the Board shall have the discretion to allocate those thoroughbred racing dates among these Cook County organization licensees.

(e-3) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsection (e-4), for each calendar year for which an electronic gaming licensee requests racing dates for a specific horse breed which results in a number of live races for that specific breed under its organization license that is less than the total number of live races for that specific breed which it conducted in 2011 for standardbred racing and in 2009 for thoroughbred racing at its race track facility, the electronic gaming licensee may not conduct electronic gaming for the calendar year of such requested live races.

(e-4) The Board shall ensure that each organization licensee shall individually run a sufficient number of races per year to qualify for an electronic gaming license under this Act. The General Assembly finds that the minimum live racing guarantees contained in subsections (e-1) and (e-2) are in

the best interest of the sport of horse racing, and that such guarantees may only be reduced in the limited circumstances described in this subsection. The Board may decrease the number of racing days without affecting an organization licensee's ability to conduct electronic gaming only if the Board determines, after notice and hearing, that: (i) a decrease is necessary to maintain a sufficient number of betting interests per race to ensure the integrity of racing; (ii) there are unsafe track conditions due to weather or acts of God; (iii) there is an agreement between an organization licensee and the breed association that is applicable to the involved live racing guarantee, such association representing either the largest number of thoroughbred owners and trainers or the largest number of standardbred owners, trainers, and drivers who race horses at the involved organization licensee's racing meeting, so long as the agreement does not compromise the integrity of the sport of horse racing; or 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 -107-09800SB1739ham004 LRB098 10559 AMC 56940 a(iv) the horse population or purse levels are insufficient to provide the number of racing opportunities otherwise required in this Act. In decreasing the number of racing dates in accordance with this subsection, the Board shall hold a hearing and shall provide the public and all interested parties notice and an opportunity to be heard. The Board shall accept testimony from all interested parties, including any association representing owners, trainers, jockeys, or drivers who will be affected by the decrease in racing dates. The Board shall provide a written explanation of the reasons for the decrease and the Board's findings. The written explanation shall include a listing and content of all communication between any party and any Illinois Racing Board member or staff that does not take place at a public meeting of the Board.

#### RECAPTURE END LANGUAGE

Beginning in the calendar year in which an organization licensee that is eligible to receive payment under this paragraph (13) begins to receive funds from electronic gaming, the amount of the payment due to all wagering facilities licensed under that organization licensee under this paragraph (13) shall be the amount certified by the Board in January of that year. An organization licensee and its related wagering facilities shall no longer be able to receive payments under this paragraph (13) beginning in the year subsequent to the first year in which the organization 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 -140-09800SB1739ham004 LRB098 10559 AMC 56940 a licensee begins to receive funds from electronic gaming.

#### BREEDERS' LANGUAGE

(i) A sum equal to 13% 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 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 -177-09800SB1739ham004 LRB098 10559 AMC 56940 by the organization licensee conducting the horse race meeting. Such sum shall be paid 50% from the organization licensee's account and 50% from the purse account of the licensee share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1 1/2% 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. Except for that track that races in Madison County, beginning in the calendar year in which an organization licensee that is eligible to receive payment under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds

from electronic gaming, a sum equal to 2 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 30% from the organization licensee's account and 70% from the purse account of the licensee as follows: 20% to the breeder of the winning horse and 1 1/2% 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, ensuring their 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 -178-09800SB1739ham004 LRB098 10559 AMC 56940 a distribution in accordance with this Act, and service and promotion of the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this 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 organization licensee within 30 days of the end of each race meeting.