

## **SB 690 SUMMARY**

SB 690 legalizes sports wagering, expands gaming, and provides for the vertical revenues in the Rebuild Illinois Capital plan.

### **SPORTS WAGERING**

Illinois is joining 14 other states, including Indiana and Iowa, in legalizing sports betting, allowing all casinos, racetracks, and sports venues that hold 17,000 people or more a brick and mortar license to have a sportsbook.

Sports betting is estimated to generate at least \$58 million annually, which will be dedicated to much-needed infrastructure projects across the state, including universities, affordable housing, and hospitals.

#### **Limitations on sports wagering:**

- The person must be over 21
- The wager cannot be placed on a minor league sports event
- The wager cannot be on an Illinois collegiate team
- The wager must be placed by a person physically in the State
- Master sports wagering licensees may use any data source for determining the results of all tier 1 sports wagers, which are determined solely by the final score or final outcome of a sports event and is placed before an event begins
- Sports governing bodies headquartered in the US may notify the board if they desire to supply official league data to master sports wagering licensees for determining the results of tier 2 sports wagers, which are wagers other than tier 1, including wagers on athlete biometrics
- The wagers cannot be on a K-12 sports event

#### **License guidelines**

Types of licenses issued under the act: master sports wagering license; occupational license; supplier license; management service provider license; tier 2 official league data provider license; central system provider license

#### **Master sports wagering license issued to an organization licensee:**

- Initial license fee is 5% of the licensee's handle from the preceding calendar year or the lowest amount that is required to be paid as an initial fee by an owners licensee, whichever is greater. Cannot exceed \$10 million.
- For an organization licensee licensed after the effective date of this Act, the license fee shall be \$5 million, and the amount shall be adjusted 12 months after the organization licensee begins racing operations based on 5% of its handle from the first 12 months of racing operations.
- The license is valid for 4 years and can be renewed for a period of 4 years by paying \$1 million.
- An organization licensee may conduct sports wagering:
  - At its facility where inter-track wagering is conducted.
  - At 3 inter-track wagering locations if the inter-track wagering location licensee from which it derives its license is an organization licensee that is issued a master sports wagering license.
  - Over the internet through a mobile application, with the following restrictions:
    - Wagering on a mobile application shall only be offered under the same brand as the organization licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that organization licensee on the effective date of this act.
    - Until the issuance of the first license under Section 25-45 (master sports wagering license issued to an organizational licensee/owners licensee/sports facility/online sports wagering operator), an individual must create their online sports wagering account in person at a sport wagering licensed inter-track facility.

**Master sports wagering license issued to an owner's licensee:**

- Initial license fee is 5% of its adjusted gross receipts from the preceding calendar year. Cannot exceed \$10 million.
- If the owner licensee is licensed after the effective date of this act, the license fee shall be \$5 million. The amount shall be adjusted 12 months after the owner's licensee begins gambling operations based on 5% of its adjusted gross receipts from the first 12 months of gambling operations.
- The license is valid for 4 years and can be renewed for a period of 4 years by paying \$1 million.
- An owner's licensee may conduct sports wagering:
  - At its facility in this state that is authorized to conduct gambling operations.
  - Over the Internet or through a mobile application, with the same restrictions outlined above.

**Master sports wagering license issued to a sports facility:**

- The board may issue up to 7 master sports wagering licenses to sports facilities or their designees that meet the requirements for licensure. If more than 7 qualified applicants apply, the licenses shall be granted in the order that the applications were received.
- The initial license fee for a sports facility is \$10 million.
- The license is valid for 4 years and can be renewed for a period of 4 years by paying \$1 million.
- Where a sports facility may conduct sports wagering:
  - At or within a 5-block radius of the sports facility (Pg. 243, Line 16)
  - Over the internet at or within a 5-block radius of the sports facility (Pg. 244, Line 3)
    - Wagering over the internet will be offered under the same brand as the sports facility is operating under, the brand its designee is operating under, or a combination of both.
    - Until the issuance of the first license under Section 25-45 (master sports wagering license issued to an organizational licensee/owner's licensee/sports facility/online sports wagering operator), an individual must create their online sports wagering account in person at the sports facility or the designee's facility.

**Master sports wagering license issued to an online sports wagering operator:**

- The Board shall issue 3 master sports wagering licenses to online sports wagering operators for a nonrefundable license fee of \$20 million after an open and competitive selection process.
- The license can be renewed for a period of 4 years by paying \$1 million.
- Regulations for the licensee selection process:
  - Applications for the initial competitive selection shall be received by the Board within 540 days after the first license is issued.
  - The Board will announce the winning bidder within 630 days of the first license being issued, and this timing may be extended at the discretion of the Board.
  - The Board will provide public notice of its intent to solicit applications by posting the notice, application instructions, and materials on its website for at least 30 days before the applications are due.
  - Applications must be opened in public forum and the Board must disclose the applicant's name.
  - The Board will identify the winning bidders within 90 days after the publication of the qualified applications.
- Applicant must be over 21; cannot have been convicted of a felony or a violation of the Criminal Code; cannot have been convicted of a crime involving dishonesty or moral turpitude; have demonstrated necessary level of skill or knowledge; have met Board standards for the license.
- By March 1, 2020, the Board shall prepare a request for proposals to conduct a study of the online sports wagering industry and market to determine if there is a compelling interest in implementing remedial measures to assist minorities, women, and persons with disabilities in the industry.
  - The Board shall submit to the General Assembly and publish on its website the results of the study by August 1, 2020.

**Supplier license:**

- License and application fee: \$150,000 and nonrefundable.

- Renewal fee: \$150,000 every 4 years.

#### **Management services provider license:**

- License and application fees: \$1 million and nonrefundable.
- Renewal fee: \$500,000 every 4 years.

#### **Tier 2 official league data provider license:**

- The license fee is payable to the Board at the end of the first year, and is based on the amount of data sold:
  - Data sales up to \$500,000: fee of \$30,000
  - Data sales from \$500,000 to \$750,000: fee of \$60,000
  - Data sales from \$750,000 to \$1,000,000: fee of \$125,000
  - Data sales from \$1,000,000 to \$1,500,000: fee of \$250,000
  - Data sales from \$1,500,000 to \$2,000,000: fee of \$375,000
  - Data sales over \$2,000,000: fee of \$500,000
- The license is valid for 3 years.
- The renewal fee is the same as the license fee and also lasts 3 years.

#### **Sports Wagering at a sports facility**

- Sports wagering may be offered in person at or within a 5-block radius of a sports facility if sports wagering is offered by a designee and that designee has received written authorization from the relevant sports team that plays its home contests at the facility.
- If more than one team is playing, written authorization is required from all teams playing.

#### **Lottery sports wagering pilot program**

- The department will issue one central system provider license after an open and competitive bidding process, and the winning bidder will pay \$20 million to the Department.
- During the first 360 days after the effective date of this Act, sport lottery terminals may be placed in no more than 2,500 Lottery retail locations in the State. They can be placed in an additional 2,500 Lottery retail locations the second year.
- Lottery retailers who cause or permit someone under 21 to use a sports lottery terminal or wagering application will be charged a fine not to exceed \$5,000.
- Sunsets January 1, 2024.

#### **Supplier diversity goals:**

- The Illinois Gaming Board must conduct a study of the online sports wagering industry and market to determine whether to implement remedial measures.
- The Board will evaluate race and gender-neutral programs or other methods that may be used to address the needs of minority and women applicants and minority-owned and women-owned businesses seeking to participate in the sports wagering industry. The study must be conducted by December 31, 2019 and published by March 1, 2020.
- To ensure supplier diversity efforts are made, the bill requires all licenses under the Sports Wagering act to submit an annual report beginning April 15, 2020 on all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises in the in the previous calendar year to the Gaming Board.
- The Gaming board and all licensees must hold an annual, public workshop starting in 2020 on the state of supplier diversity.

#### **Other gaming provisions:**

- **Prohibited conduct:** The Board shall establish a hotline or other method of communication for anonymous reports of prohibited conduct.
- **Personal biometric data:** a master sports wagering licensee shall not purchase or use any personal biometric data of an athlete unless the licensee has received written permission.

- **Compulsive gambling:** Each master sports wagering licensee shall include a statement regarding obtaining assistance with gambling problems, the text of which shall be determined by rule by DHS on the master sports wagering licensee's portal, Internet website, or computer or mobile application.
- **Voluntary self-exclusion program for sports wagering:** Any resident, or non-resident if allowed to participate in sports wagering, may voluntarily prohibit himself or herself from establishing a sports wagering account with a licensee under this Act. The Board and Department shall incorporate the voluntary self-exclusion program for sports wagering into any existing self-exclusion program that it operates on the effective date of this Act.
- **Report to the General Assembly:** On or before January 15, 2021, and every January 15 thereafter, the Board shall provide a report to the General Assembly on sports wagering conducted under this Act
- **Preemption:** Nothing in the Act shall be deemed to diminish the rights, privileges, or remedies of a person under any other federal or State law, rule, or regulation.

#### **Taxes:**

- The State will collect a 15% tax on the adjusted gross sports wagering receipts of a master sports wagering licensee, and taxes are due by the end of the month following the month in which the receipts were received.
- The State will also collect a 2% tax on the adjusted gross receipts from sports wagers placed in Cook County, which shall be paid to that home rule country for the county's criminal justice system.

## **STATE FAIR**

#### **Gambling at the State Fair:**

- The Board will issue a Video Gaming licensed establishment license to a concessioner who will operate at the Illinois and the Du Quoin State Fairgrounds, and the concessioner will be chosen every 3 years.

#### **Video gaming at the State Fair:**

- The concessioner can operate up to 50 gaming terminals at the Illinois State Fair, and up to 30 at the Du Quoin State Fair.
- There can only be up to 10 terminals in a temporary pavilion with alcohol.

#### **Revenue:**

- There will be a 35% tax on net terminal income received from video gaming under this Act.

## **HORSE RACING**

Amends the Illinois Horse Racing Act of 1975.

#### **Penalty and fee increases:**

- The changes will take effect "beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gaming Act."
- The Board currently may impose civil penalties up to \$10,000 (from \$5,000) against an individual and up to \$25,000 (from \$10,000) against a licensee for actions that are a detriment or impede horse racing or wagering.
- Increases the maximum fee for the registration of stable names from \$50 to \$150, and the application fee for an occupation license from \$25 per year and \$60 for a 3-year license to \$75 per year and \$180 for a 3-year license.
- Gives the Board the power to charge each applicant a reasonable nonrefundable fee to defray the cost of background investigation conducted by the Board.
- Increases the application fee for racing dates from \$1,000 to \$10,000 and the and application fee for racing dates in 2 or 3 successive calendar years from \$2,000 to \$20,000.
- Changes the license fee for each organization licensee from \$100 for each racing program on which its daily pari-mutuel handle is between \$400,000 and \$700,000, and \$200 for a daily pari-mutuel handle of \$700,000 or more, to \$200 for a daily pari-mutuel handle between \$100,000 and \$400,000 and \$400 for a daily pari-mutuel handle over \$400,000.

**Standardbred racetrack in Cook County:**

- In addition to organization licenses issued on the effective date of this amendatory Act, the Board will issue an organization license limited to standardbred racing to a racetrack in one of the following townships in Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth.
- This license cannot be within 35 miles of a license issued on the effective date of the Act without the consent of the person operating that racetrack.

**Schedule for awarding standardbred racing dates to organization gaming licensees:**

- Minimum racing days awarded if a single entity requests standardbred racing dates:
  - First calendar year: 100 days, reduced to 80 days if there are no requests the first 3 months of the year.
  - Second calendar year: 100 days, reduced to 80 days if there are no requests the first 3 months of the year.
  - Third calendar year: 120 days, reduced to 100 days if there are no requests the first 3 months of the year.
- Minimum racing days awarded if multiple entities request standardbred racing dates:
  - First calendar year: 140 days between them
  - Second calendar year: 160 days between them
  - Third calendar year: 200 days between them

**Racetrack in Madison County:**

- Starting in 2020, an organization licensee awarded racing dates in Madison County must run at least 700 thoroughbred races at the Madison County racetrack each year.
- If they request less than 700 dates, they cannot conduct gaming that year.

**Rules if minimum racing days are not met:**

- If the number of live races under the organization license is less than the total number of live races which it conducted in 2017 at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

**Monetary changes:**

- Provides that applicants for organization licenses need to file a \$500,000 bond with the Board (from \$200,000).
- Provides that the Board be paid \$0.40 (from \$0.15) for each person with ticketed admission entering the grounds of an organization licensee or inter-track wagering licensee.
- The cap on the fine for not paying the State its portion of ticketed admissions will be decreased from \$50,000 to \$10,000.

**Pari-mutuel tax for organization licensee on Illinois races at the licensee's racetrack:**

- 1.5% if pari-mutuel handle is at or below average daily pari-mutuel handle for 2011.
- 2% if pari-mutuel handle is between the average daily pari-mutuel handle for 2011 and 125% of the average daily pari-mutuel handle for 2011.
- 2.5% if pari-mutuel handle is between 125% and 150% of average daily 2011 handle.
- 3% if pari-mutuel handle is between 150% and 175% of average daily 2011 handle.
- 3.5% if pari-mutuel handle is above 175% of average daily 2011 handle.

**Payment to organization representing horse owners and trainers:**

- Organization licensees will pay the organization representing the largest number of horse owners and trainers in Illinois, for thoroughbred and standardbred horses that race at the track of the organization licensee, 5% of all revenue earned for purses that year.

**Portion of first prize money for Illinois conceived or foaled horses that organization licensee must pay:**

- Stake races for Illinois conceived and foaled horses, and the required prizes.

**Use of Illinois Standardbred Breeders Fund:**

- Adds use of the fund for grants up to \$7,500 per fair per year for conducting pari-mutuel wagering during a county fair to promote harness racing.
- Adds use of the fund to pay \$50,000 annually for the Department of Agriculture to conduct drug testing at county fairs racing standardbred horses.

**Donation and capital expenditure regulations:**

- Changes regulations so that the exception applies only to tracks in Madison and Rock Island counties.
- Adds charity requirements and new capital expenditure requirements.

**Gaming pursuant to an organization gaming license:**

- A person or entity that has operating control of a racetrack may apply for an organization gaming license, but only one license may be awarded per racetrack.
  - Each license will specify the number of gaming positions that is holder may operate.
- Details of amounts that shall be paid to the purse account at the track at which the organization licensee is conducting racing.
- Requires annual payments from the purse account of organization licensees.

**GAMBLING****Gambling Authorized:**

- Authorizes riverboat gambling on Lake Michigan from a home dock.
- Authorizes slot machine, video game, and other electronic gambling games.

**Illinois Gaming Board provisions:**

- Adds requirements to the Board membership. The Board must now include:
  - A member with a bachelor's degree and at least 10 years of experience in investigation and law enforcement.
  - A certified public accountant with experience in auditing and knowledge of complex corporate structures and transactions.
  - A member with 5 years of experience as a principal, senior officer, or director of a company or business who was in charge of management of the overall company, policy making, or daily operations.
  - An attorney who has been licensed in Illinois for at least 5 years.
- The board cannot contain more than 3 members from the same political party and must meet specific requirements that protect against a conflict of interest.
- Rules on how the Board must select independent outside testing laboratories to examine all electronic gaming equipment.
- The Board must review and approve or deny with cause within 90 days any internal controls and changes submitted by licensees. If an internal control submission or change does not meet the standards of the Board, staff of the Board must provide technical assistance to the licensee to fix their submission within 90 days, and then must approve or deny the revised submission within 90 days of the corrected application being submitted. If these deadlines are not met, the submission is automatically approved.

**Ethics:**

- Prohibits officials and employees, or their families, of the corporate authority of the host community of a casino from having financial interests in the gambling industry.

**Owner's license application requirements:**

- An owner's license application must include:
  - The history and success of the applicant in developing tourism facilities ancillary to gaming, if applicable.
  - The likelihood that granting the applicant a license will create quality, living wage, permanent, full time jobs.

- The projected number of jobs created and new employees at the facility if the license is granted.
- The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations, and employees at locations where they have performed similar functions as under the license.
- Identification of possible adverse effects caused by the proposed facility and how to mitigate them.
- The applicant and its developer compliance record.
- The applicants record of dealing with its employees and their representatives.
- Evidence the applicant used its best efforts to reach 25% ownership representation by minority person and 5% by women.
- The application must include a nonrefundable application fee of \$250,000.

**Additional Licenses:**

- Additional riverboat gambling license provides for:
  - A riverboat gambling license from a home dock in the City of Alton
  - A riverboat gambling licenses on the Illinois River in East Peoria, or a land-based gambling operation anywhere in Peoria
  - \$250,000 fee for issuance or renewal of these licenses
- Additional owners licenses for:
  - Casino gambling in Chicago
  - Riverboat gambling in Danville
  - Riverboat gambling in Waukegan
  - Riverboat gambling in Rockford
  - Riverboat gambling in one of the following Cook County townships: Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township
  - Riverboat gambling in the unincorporated area of Williamson County adjacent to the Big Muddy River
- Applications for licenses in subsection e-5 need to be submitted to the Board no later than 120 days after the effective date of this amendatory Act, and need to include a nonrefundable application fee and background investigation fee.
- The Board will consider issuing a license only after the corporate authority of the municipality or the county board of the county in which the riverboat or casino shall be located has certified to the Board that:
  - The applicant negotiated with them in good faith
  - Both parties have agreed on the temporary and permanent location of the riverboat or casino
  - Both parties have agreed on the percentage of revenue that will be shared with the municipality or county
  - Both parties have agreed on zoning, licensing, public health, or other issues within the municipality or county's jurisdiction
  - The municipality or county has passed a resolution or ordinance in support of the riverboat or casino
- The corporate authority or county board must hold a public hearing on these items at least 7 days before the corporate authority or county board submits a certification to the board.
- Local governments share 5% of the AGR of the privilege tax, with a hold harmless provision for communities with existing boats tied to calendar year 2018 once new casinos begin operation.

**Feasibility study:**

- Within 10 days of the effective date of this amendatory Act, the Board, with consent and at the expense of Chicago, will select and hire a nationally recognized casino gaming feasibility consultant. Within 45 days of the Act's effective date, the consultant will prepare and deliver to the Board a feasibility study for a casino in Chicago.
- 90 days after receiving the feasibility study, the Board will decide whether to recommend changes to the license terms for a Chicago casino, and can then start accepting application for an owners license for a Chicago casino.
- Prior to issuing a license in Rockford, an impact study needs to be completed to determine which location in the city will have the greatest impact to the region, including creating the most jobs and generating the most tax revenue.

- The licenses in subsection e-5 will be issued within 12 months of the license application being submitted.
- The Board must give a written justification if they do not provide the license in time.

#### **New license fees:**

- Initial and renewal fee for licenses: \$250,000
  - Licenses located outside of Cook County will also pay a minimum initial fee of \$17,500 per gaming position
  - Cook County fee is \$30,000
- Each licensee will make a reconciliation payment 3 years after the date the licensee begins operating in an amount equal to 75% adjusted gross receipts for the most lucrative 12-month period of operations, minus the initial payment per gaming position paid by the specific licensee.
  - An owner's licensee who conducted gambling operations before January 1, 2012 and gets positions pursuant to this amendatory act will also need to make a reconciliation payment 3 years after any additional gaming positions begin operation equal to 75% of their average gross receipts from their most lucrative 12-month period minus the initial fee they paid per additional gaming position.
- Each licensee will pay a \$15 million reconciliation fee upon issuance of an owner's license.
- The reconciliation payment can be made in installments over a period of no more than 2 years, with an annual market interest rate.
- The subsection e-5 owner's licensees shall pay their fees by July 1, 2020.

#### **Regulations on new licenses:**

- Chicago: up to 4,000 gaming positions
- Danville, Waukegan, Rockford and one of the listed Cook County townships: up to 2,000 gaming positions
- Williamson County near Big Muddy River: up to 1,200 gaming positions
- An owner's license, except for licenses issued under subsection e-5, entitles the licensee to own up to 2 riverboats.
- Each owner's licensee under section e will reserve their gaming positions within 30 days of the effective date of this amendatory Act.
- Each owner's licensee under subsection e-5 must reserve their gaming positions within 30 days of receiving their owners license.
- The Board can extend the 30-day deadline if the owners licensee provides a written request and justification.
- An owner's licensee can conduct land-based gambling if approved by the Board and if they pay a \$250,000 fee.
- An owner's licensee can conduct gaming at a temporary facility while their permanent facility is built, remodeled or relocated for up to 24 months. The Board can extend this period by up to 12 months if the owner shows good cause.
- The owner's licenses will be issued through an open and competitive bidding process.

#### **Organization gaming licenses:**

- The Gaming Board will award one organization gaming license to each person or entity operating control of a racetrack that meets this section's requirements.
- **Application:** A person or entity operating control of a racetrack may submit an application for an organization gaming license within 60 days after the effective date of this Amendatory Act.
  - The application must contain, among other things, the identity of any racetrack where gaming will be conducted, detailed ownership and management information, and the applicant's detailed personal information. The applicant must also specify the number of gaming positions they intend to use.
  - The applicant must also disclose the identity of every person or entity that has a direct or indirect pecuniary interest greater than 1%, is a stockholder or director, is a member or manager, is a partner, or is a beneficiary in any racetrack with respect to which the license is sought.
- **Background check:** Each application for an organization gaming license will include a nonrefundable \$250,000 application fee and a nonrefundable \$50,000 fee for background investigations, with possible additional charges if the background check is more expensive.



- Each applicant must submit their fingerprints and must cover the associated costs for searching and classifying the fingerprints.
- **Selection deadline:** The Board must decide within 120 days of receiving the application where to grant the organization gaming license. If the Board does not meet the deadline, they must submit a written justification.
- **Purchase of gaming positions:** The organization gaming licensee must purchase their gaming positions within 120 days of receiving their license, and all positions must be in operation within 18 months of being obtained, though extensions can be granted.
- **Length of license:** The organization gaming license in this section will last 4 years, and can then be renewed for further 4-year periods for an issuance or renewal fee of \$250,000.
- **Operating control to conduct gaming:** For a person or entity having operating control of a racetrack to be eligible to conduct gaming under this section, they must:
  - Obtain an organization gaming license
  - Hold an organization license under the Illinois Horse Racing Act
  - Hold an inter-track wagering license
  - Pay an initial fee of \$30,000 per gaming position for gaming in Cook County and \$17,500 for gaming outside of Cook County, and pay the previously listed reconciliation payment
    - Licensees operating in Madison County will only have to pay the \$17,500 fee for their first 540 gaming positions
  - Conduct live racing
  - For organization licensees conducting standardbred race meetings, keep backstretch barns and dormitories open and operational year-round unless a lesser schedule is agreed to by the licensee and the horsemen association racing at the licensee's race meeting
  - For organization licensees conducting thoroughbred race meetings, the licensee must maintain accident medical expense liability insurance coverage of \$1,000,000 for jockeys
  - Ineligibility to receive an organization gaming license:
    - Has been convicted of a felony or violation of a violation of Article 28 of the Criminal Code of 2012
    - Submitted an application that contained false information
    - Is a member of the Board
    - Has an officer, director, managerial employee, or a person in the management or operation of gambling operations that fits the descriptions above
    - Has a license issued under this Act or to own or operate gambling facilities in another jurisdiction that has been revoked
- The Board may allocate up to 1,200 gaming positions for licensees in Cook County and up to 900 gaming positions for licensees outside of Cook County.
- Creates a process for managing unreserved gaming positions.
- An organization gaming licensee can:
  - Conduct slot machine gambling; video game of chance gambling; gambling with electronic gambling games; and table games at a racetrack
  - Conduct gaming at a temporary facility while the permanent facility is being constructed, remodeled or relocated for up to 24 months with a possible extension of 12 months
- An organization gaming licensee may not conduct gaming at a State or county fair.
- Each organization gaming licensee that obtains gaming positions must make a reconciliation payment 3 years after the licensee begins operating positions equal to 75% of the difference between their adjusted gross receipts for gaming authorized under this section and the amount paid to its purse accounts for the 12-month period for which the difference was the largest, minus the per position fee they paid.
  - This payment can be made in installments over no more than 2 years, with an annual market interest rate.

#### **Diversity program for licensees:**

- Each licensee must maintain a diversity program to ensure non-discrimination in awarding contracts. The programs will have the goal of awarding at least 25% of the annual dollar value of contracts to minority-owned businesses and at least 5% to women owned programs.

- Each licensee must maintain a program to promote equal opportunity in employment.
- Each licensee will submit a report on minority and women employment and contracting by May 31<sup>st</sup> of each year.
- The Board will take into account performance on diversity goals when renewing licenses
- Each licensee under Sections 7, 7.1 and 7.7 will file a diversity report with the Board by December 31<sup>st</sup> of each year.

**Issuance of a new owner's license:**

- Owners licenses newly authorized may be issued by the Board to a qualified applicant pursuant to an open and competitive bidding process and subject to the maximum number of authorized licenses.

**Environmental standards:**

- All permanent casinos, riverboats, and organization gaming facilities shall consist of buildings that are certified as meeting the U.S. Green Building Council's Leadership in Energy and Environmental Design standards.

**Chicago Casino Advisory Committee:**

- The Chicago Casino Advisory Committee will monitor diversity in employment and contracting for the construction of the Chicago casino.
- The committee will have 9 members, 5 selected by the Governor and 4 by the Mayor of Chicago. They must each appoint one member of the General Assembly.
- The committee will be dissolved when casino gambling becomes operational at a permanent facility in Chicago.

**Limitations on gaming at Chicago airports:**

- Gaming may be conducted at Chicago airports as long as it is in a secured area beyond the TSA security checkpoint
- Only available to people 21 years and older who are members of a private club
- Limited to slot machines.
- Gaming positions at the airport and the Chicago casino must not exceed the maximum gaming positions for the city.

**Taxes:**

- Outlines division of taxes and fees between cities and counties.
- A \$3 tax will be imposed on admission to organization gaming facilities. The admission tax will be paid daily to the Board.
  - Outlines rules on how this tax will be distributed to counties and municipalities.
- The rates and regulations of the privilege tax for all gambling games.
- Outlines division of tax revenue to cities.

**Total revenue from Casino Gaming, Video Gaming, and Sports Wagering:**

- Ongoing revenues from the gaming expansions included in SB 690 are estimated to total at least \$350 million annually at full implementation and will support expected vertical capital debt service.
- Upfront revenues from license fees are scheduled to support pay-go capital costs.

**VIDEO GAMING**

- Adds the option of a licensed large truck stop establishment. Previously, only had a licensed truck stop establishment
- The Board will not grant video gaming licenses to locations within a mall.
- Raises the VGT tax 3% (from 30% to 33%) in the first year and to 34% in the second year and beyond.
- Allows establishments to have 6 video gaming terminals (from 5).
- Increases the maximum wager from \$2 to \$4.
- Elevates the maximum cash award from \$500 to \$1,199.

- Authorizes an in-location progressive jackpot up to \$10,000.

#### **ADDICTION AND MENTAL HEALTH SERVICES**

- Includes a \$6.8M investment for addiction and mental health services, up from \$800,000 in the FY20 budget.
- This increase in funding will align Illinois with the national average for funding problem gambling services.
- This new Substance Use Prevention and Recovery (SUPR) fund will be overseen by DHS.

#### **VERTICAL INFRASTRUCTURE REVENUES**

**Parking garages:** Introduces a 6% tax on daily and hourly garage parking and a 9% tax on monthly and annual garage parking. Parking garages are not currently taxed at the state level. This tax will generate \$60 million in new annual state revenue.

**Traded-in property exemption:** Introduces a \$10,000 cap per trade-in transaction on first division vehicles. Currently, traded-in property provides a sales tax exemption on the purchase of property up to the value of the property traded in. This cap will generate \$40 million in new annual state revenue. Raises the documentary fee from \$150 to \$300 and indexes it to CPI, which may be imposed on buyers for the handling of closing documents of a sale of a motor vehicle.

**Cigarettes:** SB690 increases the per-pack cigarette tax by \$1, from \$1.98 to \$2.98, effective July 1, 2019. This increase will generate \$160 million in new annual state revenue.

**Casino Gaming, Video Gaming, and Sports Wagering:** Ongoing revenues from the gaming expansions included in SB 690 are estimated to total at least \$350 million annually at full implementation and will support expected vertical capital debt service. Upfront revenues from license fees are scheduled to support pay-go capital costs.

**Sales tax parity:** SB690 includes mechanisms to increase compliance for "remote" online retailers collecting state sales tax beginning July 1, 2020. Annual estimates for increased state sales tax collections are \$200 million.

**Data Centers:** SB 690 allows an exemption from sales and electricity taxes for data centers who have or plan to make a \$250 million investment in Illinois. If a data center is seeking an exemption for the construction or rehabilitation of its structure, the data center must require all contractors and subcontractors to comply with the responsible bidder sections of the Illinois Procurement Code. SB 690 also creates 20% income tax credit against wages if the investment by the data center is in an underserved area. The bill requires an annual report to the Governor and the General Assembly on the tax credit's outcome and effectiveness