

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

REVENUE BILL ANALYSIS

100TH GENERAL ASSEMBLY

BILL NO: **HB 2498**

February 10, 2017

SPONSOR (S): Hays

TYPE: Gaming: Riverboats: Racinos & New Casinos

CHAPTER REF: Numerous

FISCAL IMPACT: HB 2498 would generate a significant amount of one-time revenues and recurring revenues to State and local governments by allowing new casinos in Illinois. The revenue increase by allowing electronic gaming at racetracks and by adding a Chicago Casino and four additional casinos would be significant but would be somewhat offset by reductions in the graduated tax structure. A breakdown of the revenue impact (under full implementation or approximately FY 2021) is estimated to be as follows.

Fiscal Impact on Revenues under Full Implementation				
<i>\$ in millions</i>				
	Recurring Revenues			
	Adjusted Gross Receipts (AGR)	State Revenue	Local Revenue	Total Revenue
Current Law Estimate (FY 2021):	\$1,399.3	\$391.0	\$82.2	\$473.3
Proposal Estimate (FY 2021):	\$2,409.0	\$410.1	\$139.8	\$550.0
Difference (Net New Revenue):	\$1,009.7	\$19.1	\$57.6	\$76.7
One Time Revenues				
One-Time Licence Fees:				\$0.9
Initial Position Fees:				\$336.5
Application Fees:				\$1.4
Reconciliation Payments [Collected 3yrs after new gaming begins (or likely not until FY 2022)]:				\$597.3
			Total One-Time Revenues*:	\$936.0

* Does not include one-time revenues from the bidding of the new casinos. The amounts of these bids are not known.

SUBJECT MATTER: HB 2498 makes numerous changes to the gaming industry. Highlights of the legislation are provided below:

Chicago Casino Development Authority. (p. 1) The legislation creates the Chicago Casino Development Authority Act. The Act states that the duty of the Authority is to promote, and maintain a casino in the City of Chicago. Provisions regarding the establishment of a board, general rights and powers of the Authority, ethical conduct, and various other matters are included in this Act. The legislation specifies that “the Gaming Board alone shall regulate any Chicago casino, just as it now regulated every other casino in Illinois”.

Portion of Chicago Casino Bid to Gaming Facilities Fee Revenue Fund (p. 20). The Authority shall develop and administer a competitive sealed bidding process for the selection of a potential

casino operator licensee to develop or operate a casino within the City. After reviewing proposals and subject to Gaming Board approval, the Authority shall enter into a casino management contract authorizing the development, construction, or operation of a casino. **Fifty percent** of any initial consideration received by the Authority that was paid as an inducement pursuant to a bid for a casino management contract or an executed casino management contract must be transmitted to the State and deposited into the **Gaming Facilities Fee Revenue Fund**.

Gaming at Chicago Airports. (p. 27) The Authority may conduct gaming operations in an airport as long as operations are conducted in a secured area, gaming operations are limited to slot machines, and the combined number of positions operating in the City at the airports and at the temporary and permanent casino facility does not exceed the maximum number of gaming positions authorized.

Creation of New Funds (p. 98). HB 2498 amends the State Finance Act to create new funds:

- **The State Fairgrounds Capital Improvement Fund.** Moneys in the Fund may be used by the Department of Ag for infrastructure improvements to the Illinois State Fairgrounds (p. 103).
- **The Gaming Facilities Fee Revenue Fund.** The Fund's purpose is to provide appropriations to the Illinois Gaming Board for the administration and enforcement of the casino gambling and payment of vouchers that are outstanding for more than 60 days. The first \$50 million shall be for administration and enforcement (p. 453).
- **The Depressed Communities Economic Development Fund.** Moneys in the Fund will be used to make grants to public or private entities submitting proposals to the newly created Depressed Communities Economic Development Board to revitalize an Illinois depressed community (p. 69).
- **The Latino Community Economic Development Fund.** Moneys in the Fund would be used to make grants to public or private entities submitting proposals to the newly created Commission on the Future of Economic Development of the Latino Community to assist in the economic development of the Latino community (p. 71).

Admission Tax Increase at Horse Tracks (p. 236). Beginning on the date when any organization licensee begins conducting electronic gaming, the admission charge shall be 40 cents (instead of 15 cents) for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission, and if such tickets are issued for more than one day, 40 cents shall be paid for each person using such ticket on each day that the same shall be used.

Pari-Mutuel Tax Increase (p. 285). When electronic gaming begins, the pari-mutuel tax would increase from the current rate of 1.5% to up to 3.5%, depending on how the pari-mutuel handle compares to totals from 2011.

Pari-Mutuel Tax Credit Eliminated (p. 320). The pari-mutuel tax credit would be eliminated once an organization licensee begins conducting electronic gaming operations.

Horse Racing Distributions (p. 333). The adjusted gross receipts received by an electronic gaming licensee from electronic gaming remaining 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 AGR up to and including \$75 million.
 - 20.00% of annual AGR in excess of \$75 million but not exceeding \$100 million.

26.50% of annual AGR in excess of \$100 million but not exceeding \$125 million.
 20.50% of annual AGR in excess of \$125 million.

- 2) The remainder shall be retained by the electronic gaming licensee.

Illinois Gambling Act (p. 336). The legislation changes the name of the Riverboat Gambling Act to the Illinois Gambling Act.

Five New Casinos/Riverboats (p. 384). HB 2498 amends the Illinois Gambling Act to authorize the issuance of five additional licenses to conduct casino operations in Illinois. These shall be located in the following locations:

- 1) In the City of **Chicago**
- 2) In the City of **Danville**.
- 3) In the City of **Park City, North Chicago, or Waukegan**.
- 4) In the City of **Rockford**.
- 5) In one of the following townships in the **South Suburbs** of Cook County: Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township.

License Fees (p. 383). The following fees would be imposed on the new gaming facilities and deposited into the **Gaming Facilities Fee Revenue Fund**:

- 1) For the Cook County locations (Chicago Casino and the South Suburbs license), the fee for the issuance or renewal of a license shall be **\$100,000**. Additionally, the licensees shall pay an initial fee of **\$30,000** per gaming position (p. 386).
- 2) For the Waukegan, Danville, and Rockford riverboats, the fee for the issuance or renewal of a license shall be **\$100,000**. Additionally, the licensee shall pay an initial fee of **\$17,500** per gaming position (p. 386).
- 3) An application for a casino operator license has fee of **\$100,000**. An applicant must also pay a non-refundable fee of **\$50,000** to defray background investigation costs (p. 398).

Gaming Positions (p. 388). An owner's licensee of the Chicago casino can have up to **4,000** gaming positions. All other owners licensees shall limit the number of gaming positions to **1,600** (up from 1,200). Unused gaming positions can be purchased and used by other casinos (a riverboat can have no more than 2,000 positions). The fee for obtaining unused positions shall be a minimum of \$17,500 for licenses not located in Cook County and a minimum of \$30,000 for licensees located in Cook County.

Electronic Gaming at Racetracks (p. 396). The legislation would allow electronic gaming to be offered at Illinois horse tracks. Among the requirements for a track to host electronic gaming is that the track must pay an initial fee of **\$30,000** per gaming position in Cook County and **\$17,500** for licensees outside of Cook County. The fee for the issuance or renewal of an electronic gaming license shall be **\$100,000**. An application fee of **\$100,000** shall be collected plus an additional **\$50,000** fee used to defray investigation background costs. **All payments by track licensees shall be deposited into the Gaming Facilities Fee Revenue Fund.**

Gaming Positions Allocated to Racetracks (p. 403). The authority to operate electronic gaming positions shall be allocated as follows: up to **1,200** gaming positions for any electronic gaming licensee in Cook County; up to **900** gaming positions for any electronic gaming licensee outside of Cook County; and up to **350** positions for any electronic gaming licensee that did not conduct live racing in CY 2010 (Quad City Downs).

Temporary Facilities (p. 406). An owner's licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming. This timeframe may be extended up to 12 months upon approval of the Board.

Bidding for New Licenses (p. 416). Except for the owner's license issued to the Chicago Casino Development Authority, owners licenses newly authorized may be issued by the Board to a qualified applicant pursuant to an open and competitive bidding process. The Board may grant the owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected.

Reconciliation Payments. HB 2498 provides for several types of reconciliation payments. These payments shall be deposited into the Gaming Facilities Fee Revenue Fund

- 1) **New Casinos.** Each of the new casinos shall make a reconciliation payment 3 years after the date the licensee begins operating in an amount equal to 75% of the AGR for the most lucrative 12-month period of operations, minus an amount equal to the initial payment per gaming position paid by the specific licensee. This payment may be made in installments over a period of no more than 2 years **(p. 387)**.
- 2) **Current Casino Owners.** Current casinos shall make a reconciliation payment 3 years after any additional gaming positions have been obtained equal to 75% of the owners licensee's average gross receipts for the most lucrative 12-month period of operations minus an amount equal to the initial fee that the owners licensee paid per additional gaming position. Average Gross Receipts means (i) the increase in AGR or the most lucrative 12-month period of operations over the AGR for 2017, multiplied by (ii) the percentage derived by dividing the number of additional gaming positions that an owner's licensee had obtained by the total number of gaming positions operated by the owner's licensee **(p. 390)**.
- 3) **Racinos.** Each electronic gaming licensee who obtains electronic gaming positions must make a reconciliation payment 3 years after the date the electronic gaming licensee begins operating the positions in an amount equal to 75% of the difference between its AGR from electronic gaming and amounts paid to its purse accounts for the 12-month period for which such difference was the largest, minus an amount equal to the initial per position fee paid by the electronic gaming licensee. This reconciliation payment may be made in installments over a period of no more than 2 years. **(p. 407)**.

Admission Tax for Riverboats/Casino/Racinos (p. 429). HB 2498 provides that the admission tax shall be at the rate of \$3 per person. Of this amount, \$1 would go to various local governments that host the gaming licensee. The remaining \$2 of the riverboats/casino would go to the State Gaming Fund. The remaining \$2 of the racinos would go to the Education Assistance Fund.

Wagering Tax Structure (p. 440). The wagering tax structure, which would be imposed on the current riverboats, the new riverboats, the Chicago Casino, and the horsetracks, shall be modified from its current rate structure. Under HB 2498:

- 1) Beginning in the fiscal year following the opening of the Chicago Casino, but not before July 1, 2015, the privilege tax structure on riverboats, the Chicago casino, and racinos would be modified to look as follows:

Adjusted Gross Receipts	Current Law	Gaming Proposal Tax on Table Games	Gaming Proposal Tax on Electronic Gaming Devices
Up to \$25M	15.0%	10.0%	10.0%
\$25M to \$50M	22.5%	17.5%	17.5%
\$50M to \$70M	27.5%	22.5%	22.5%
\$70M to \$75M	27.5%	16.0%	22.5%
\$75M to \$100M	32.5%	16.0%	27.5%
\$100M to \$150M	37.5%	16.0%	32.5%
\$150M to \$200M	45.0%	16.0%	35.0%
\$200M to \$300M	50.0%	16.0%	40.0%
\$300M to \$350M	50.0%	16.0%	30.0%
\$350M to \$800M	50.0%	16.0%	20.0%
Over \$800M	50.0%	16.0%	50.0%

Renovation Credit (p. 441). From the effective date of this amendatory Act until June 30, 2021, an owner’s licensee shall receive a dollar-for-dollar credit by the Gaming Board for any renovation or construction costs paid by the owner’s licensee, but in no event shall the credit exceed \$2 million. In addition, the Alton Casino can move its casino to a better location (within 3 miles of its current location) and receive a credit up to 8% of the construction costs associated with the new facility. In determining whether or not to approve a relocation, the Board must consider the extent to which the relocation will diminish the gaming revenues received by other Illinois gaming facilities.

Vouchers Not In Calculation (p. 442). Beginning January 1, 2018, the calculation of AGR shall not include the dollar amount of non-cashable vouchers, coupons, and electronic promotions redeemed by wagerers upon the casino up to and including an amount not to exceed 30% of a casino’s AGR.

Privilege Tax Distributions (p. 446). HB 2498 would make the following changes to the distribution of privilege tax (wagering tax) revenues:

- Of the 5% of AGR of the Waukegan Area Casino that is intended for local governments, the revenues shall be divided and remitted as follows: 25% to Park City, 50% to Waukegan, and 25% to North Chicago.
- Of the 5% of AGR of the Rockford Casino that is intended for local governments, the revenues shall be equally divided between the City of Rockford and Winnebago County.
- Of the 5% of AGR of the Fairmount Racetrack Casino that is intended for local governments, the 5% portion shall be paid as follows: 45% to the City of Alton, 45% to the City of East St. Louis, and 10% to the City of Collinsville.
- Of the 5% of AGR of the Hawthorne Racetrack Casino that is intended for local governments, the 3% portion shall be paid as follows: 25% to the Village of Stickney, 5% to the City of Berwyn, 50% to the Town of Cicero, and 20% to the Stickney Public Health District.
- Of the 5% of AGR of the Maywood Racetrack Casino that is intended for local governments, the 3% portion shall be split evenly between the Village of Melrose Park, the Village of Maywood, and to Cook County. *(Note: Maywood Racetrack is now closed so this provision would no longer be needed in the legislation).*
- Of the 5% of AGR of all other racetrack casinos that is intended for local governments, the 3% portion shall be paid to the municipality or county of that racino.

- Of the 5% of AGR of all racetrack casinos (except for Fairmount) that is intended for local governments 2% of AGR of all racinos shall be paid to the county for which the electronic gaming facility is located for the purposes of its criminal justice system or health care system.
- From the tax revenue deposited into the State Gaming Fund, \$5 million shall be paid annually to the Department of Human Services for the administration of programs to treat problem gambling.
- Beginning in the fiscal year following the opening of the Chicago casino, but not before July 1, 2019, from the tax revenue deposited in the State Gaming Fund, the following shall take place:
 - An amount equal to \$5 million shall be transferred into the State Fairgrounds Capital Improvements Fund annually.
 - An amount equal to 5% of the wagering taxes paid by the new casinos shall be transferred into the Depressed Communities Economic Development Fund annually.
 - An amount equal to 2.5% of the wagering taxes paid by the new casinos shall be transferred into the Latino Community Economic Development Fund annually.
 - An amount equal to 1% of adjusted gross receipts, not to exceed \$3 million, shall be transferred into the State and County Fair Assistance Fund annually.
 - An amount equal to \$75,000 shall be paid annually to a county forest preserve district for the maintenance of a botanical garden created under Section 43 of the Cook County Forest Preserve District Act.
 - An amount equal to \$125,000 shall be deposited annually into the Illinois Racing Quarter Horse Breeders Fund.
- From the tax revenue from electronic gaming deposited in the State Gaming Fund:
 - An amount equal to \$6.25 million shall be deposited annually into the Partners for Conservation Fund for grants to soil and water conservation districts.
 - An amount equal to \$2.5 million shall be deposited annually into the State Cooperative Service Trust Fund for grants to the State's cooperative extensions.
- HB 2498 provides that after all obligated distributions have been satisfied, all remaining amounts from electronic gaming shall be deposited into the Education Assistance Fund.

Other Changes. HB 2498 makes numerous other changes, including amending the Illinois Income Tax Act by creating a surcharge on the sale or exchange of assets, properties, and intangibles of electronic gaming licensees; and further amending the Horse Racing Act and the Illinois Casino Act to make conforming changes.

HB 2498 would take effect upon becoming law.

METHODOLOGY: In the estimate, several assumptions had to be made. They are as follows:

- Under current law, the 10 existing riverboat licenses could have a total of 12,000 gaming positions in Illinois. **Under HB 2498 the potential exists for an additional 18,050 gaming positions for a potential total of 30,050 gaming positions, which is an increase of 150%.**
- The legislation provides that all of the riverboat casinos can go up to 1,600 positions, including existing casinos. It is assumed that not all of the casinos would choose to purchase the additional positions because, currently, only 3 of the 10 Illinois casinos utilize the maximum limit of 1,200 gaming positions. While it is difficult to estimate how many positions that each casino would purchase, it is assumed that only those three casinos that are currently at 1,200 positions would go up to 1,600 positions (Joliet Harrah's, Elgin, and Des Plaines).
- For the purposes of this estimate, it is assumed that the South Suburb casino and the Waukegan Area casino would operate 1,600 gaming positions; Rockford would have 1,200 positions; and Danville would have 1,000 positions. These projections are based on the location and position levels of casinos currently in Illinois. It is also assumed that Chicago would purchase its allotment of 4,000 gaming positions.
- The legislation does allow for unused positions to be purchased by other casinos (up to 2,000 gaming positions at one casino. While this is a possibility, especially at the newer Chicago area casinos, no such purchases are assumed in this estimate.
- Assuming that all new facilities would purchase the number of positions mentioned above, the amount of one-time revenue from the purchasing of new/additional positions would be **\$336.5 million**. This money would also be deposited into the newly created Gaming Facilities Fee Revenue Fund.
- Under this legislation, the initial fee for all new gaming facilities is \$100,000. Therefore, the total initial fees from all of the 9 new facilities would be a one-time revenue amount of **\$0.9 million**. An additional **\$1.4 million** (minimum) would be collected from application fees and fees for background investigation costs (This amount would likely be higher and would depend on the number of applications). This money would be deposited into the newly created Gaming Facilities Fee Revenue Fund.
- The Commission estimates that approximately **\$597.3 million** in reconciliation payments from the new casinos and racinos would be collected over a two year period, three years after operations begin. This money would be deposited into the Gaming Facilities Fee Revenue Fund.
- The Commission estimates that there would be very little if any reconciliation payments collected from the current riverboats.
- Revenue estimates for the Rockford, Waukegan, and South Suburb riverboats were based upon the AGR/Gaming Position for other riverboats in the Chicago area. The Danville revenue estimates were based on the average AGR/Gaming Position for downstate riverboats.
- The Chicago casino's figures were based on Des Plaines' recent AGR/position figures. In addition, a dilution was applied to the new location to factor in the large number of gaming positions at one facility (4,000 compared to 1,200 under current law). The estimated

AGR/position/day figures used for Chicago in this estimate resemble the AGR/position/day figures found at other casinos throughout the nation with around 4,000 positions.

- **The casino climate has dramatically changed over the last several years.** Whether it is from increased competition from other states, the struggling economy, or the rapid emergence of video gaming across Illinois, adjusted gross receipts for Illinois riverboats have fallen sharply over the last several years. The figures in this estimate attempt to factor in the recent downward trend.
- The graduated tax structure, especially for the Chicago Casino is reduced under HB 2498 compared to current law. **The reduction of the tax rates would negatively affect State revenues. This is a major factor why despite the increase in positions and significant increases in the adjusted gross receipts, State revenues show modest gains under full implementation.**
- Also affecting the amount of revenues collected from the privilege tax (wagering tax) is the proposed change whereby table game AGR are taxed separate from electronic gaming AGR. With two separate graduated tax structures, it will take longer for receipts to hit higher tax rates. Because of this, revenues would be lower than under current law. The Commission assumed a split of 80.7% slot AGR, 19.3% table game AGR for each of the riverboats/casino (based on recent average Statewide AGR split according to the Illinois Gaming Board's Monthly Reports).
- Dilution factors are utilized in this estimate due to the competition that would result from the opening of new casinos and the introduction of slot machines at racetracks. The more gaming facilities, the greater the impact (dilution) that these facilities would have on other riverboats/casinos. This could negatively affect overall State revenue increases because anytime money is gambled at a smaller gaming facility (horsetrack), it would be taxed at a lower rate than if it were gambled at a larger revenue-producing riverboat/casino under Illinois' graduated tax structure.

FISCAL IMPACT: HB 2498 would generate revenues from a variety of different ways:

Casino Gambling. Revenues from casino gambling would be collected in two different formats, one-time revenues and recurring revenues.

The Commission estimates that **\$0.9 million** in one-time revenues would come from initial license fees from the new gaming facilities; **\$336.5 million** in one-time revenues would come from the initial position fees and the fees from the purchasing of additional positions; at least **\$1.4 million** in one-time revenues would come from application fees and back ground check fees; and approximately **\$597.3 million** in one-time revenues would come from the various reconciliation payments. **These reconciliation revenues would be calculated and collected three years after the additional gaming positions become operational (or likely not until at least FY 2022) and could be paid over two years.** These revenues would be deposited into the Gaming Facilities Fee Revenue Fund for the purpose of administration costs and the payment of vouchers that are outstanding.

An additional unknown amount of one-time revenues would come from the bidding of the new casinos. These amounts would also be deposited into the Gaming Facilities Fee Revenue Fund, except that only 50% of the Chicago bid would be deposited into this Fund.

For recurring revenues, it will take several years before reaching full-implementation due to the time it takes to start-up new gaming facilities. Therefore, using the previously mentioned assumptions, under full implementation, **the Commission estimates an increase in overall gaming revenues of approximately \$76.7 million (compared to current law estimates). The revenue increase includes a \$57.6 million increase in gaming revenues to local governments and a \$19.1 million increase in available “State Funds”. The distribution of these “State Funds”, as proposed by the legislation, is shown on the following page.**

Note: In current and proposed distribution language, amounts appropriated to the Illinois Gaming Board for administering and enforcing the Riverboat Gambling and the Video Gaming Act are taken from the State Gaming Fund before distributions take place. With this potential significant increase in gaming, it is likely that the amount of administrative expenses will also increase significantly. Therefore, the amounts shown to be available for the Education Assistance Fund could be notably less if no additional funds for administration expenses are provided to the Gaming Board, aside from the one-time revenues deposited into the Gaming Facilities Fee Revenue Fund.

Under this gaming expansion legislation, the Commission estimates that adjusted gross receipts will increase by approximately \$1.0 billion, or 72.2% under full implementation compared to current law. However, overall tax revenues from gaming are expected to rise only 16.2%. The primary reason for this is because the proposal reduces the tax structure, taxes table and slot machines separately, and will likely cannibalize existing casinos. These factors will prevent the gaming revenues to accumulate to the point that they would be taxed at the higher rates under the graduated tax structure.

Other Horse Racing Related Revenues. Aside from the revenues from electronic gaming at horsetracks, a portion of the remaining adjusted gross receipts must be paid to horse racing purse accounts. Based on the estimated AGR of the racinos, the Commission estimates this total to be approximately \$35 million per year under full implementation. In addition to these revenues, nominal increases would likely come from admission tax increases at the horsetracks, an increase in the pari-mutuel tax, and the elimination of the pari-mutuel tax credit.

A detailed look of the recurring revenue estimate for HB 2498, as compared to current law, is shown on the following page.

ADDITIONAL REVENUE GENERATED FROM GAMING PROPOSAL (Differences between Proposal and Current Law Estimates) (Chicago Casino, Option to Purchase Additional Positions at Existing Riverboats, 4 New Riverboats/Casinos, Racinos, Reduced Tax Structure in FY 2020) <i>(Amounts in millions)</i>																	
Fiscal Year	AGR	ADMISSIONS	Statutory Distribution of Des. Plaines Tax Revenues					Proposed Distribution of State Funds					LOCAL REVENUES (5% of AGR and \$1/adm)	TOTAL RECURRING REVENUES	ONE TIME REVENUE DISTRIBUTIONS*	TOTAL REVENUE	
			School Infrastructure Fund	Cook County Criminal Justice System	Chicago State University	State and Community Development Fund	State and Community Development Fund	State and Community Development Fund	State and Community Development Fund	State and Community Development Fund	State and Community Development Fund	State and Community Development Fund					State and Community Development Fund
FY 2018																	
	Current Riverboat Revenues	-88.7		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	0.0	0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$279.2	2.6	\$36.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$18.0	\$50.7	\$338.8	\$338.8
	One-Time Revenues*																
	TOTAL	\$270.5	2.4	\$39.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$21.0	\$53.4	\$338.8	\$338.8
FY 2019																	
	Current Riverboat Revenues	-829.5	-2.0	\$84.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	\$513.1	4.4	\$91.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$497.3	4.1	\$105.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$238.7	2.2	\$37.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	One-Time Revenues*																
	TOTAL	\$1,009.6	8.7	\$207.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2020																	
	Current Riverboat Revenues	-829.5	-2.0	\$109.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	\$513.1	4.4	\$82.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$497.3	4.1	\$105.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$238.7	2.2	\$26.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	One-Time Revenues*																
	TOTAL	\$1,009.6	8.7	\$144.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2021																	
	Current Riverboat Revenues	\$239.4	-2.0	\$203.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	\$513.1	4.4	\$78.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$497.3	4.1	\$117.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$238.7	2.2	\$26.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	One-Time Revenues*																
	TOTAL	\$1,009.7	8.7	\$191.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2022																	
	Current Riverboat Revenues	-829.3	-2.0	\$202.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	\$513.1	4.4	\$78.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$497.3	4.1	\$117.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$238.7	2.2	\$26.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	One-Time Revenues*																
	TOTAL	\$1,009.8	8.7	\$193.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2023																	
	Current Riverboat Revenues	-829.3	-2.0	\$202.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	\$513.1	4.4	\$78.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$497.3	4.1	\$117.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$238.7	2.2	\$26.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	One-Time Revenues*																
	TOTAL	\$1,009.8	8.7	\$193.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2024																	
	Current Riverboat Revenues	-829.2	-2.0	\$202.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	New Riverboat Revenues	\$513.1	4.4	\$78.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Chicago Casino Revenues	\$497.3	4.1	\$117.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Horseshoe Casino Revenues	\$238.7	2.2	\$26.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	One-Time Revenues*																
	TOTAL	\$1,009.9	8.7	\$193.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Note: The legislation provides that the tax rates are not reduced, as proposed, until the beginning of the fiscal year following the opening of the Chicago Casino, but not before July 1, 2019. The Commission estimates that this reduction in tax rates will take place in FY 2020 and is why revenues are shown to be much lower in FY 2020+ compared to FY 2019. While revenues at racinos are shown to begin in FY 2018 (due to structure already in place and the ability to use temporary facilities) and other racinos to begin operations in FY 2020, any delay in enactment or implementation of this legislation would likely delay these revenues to future fiscal years.

* The one-time revenues shown in FY 2018 would come from the license fees, position fees, and application fees. The vast majority of this revenue is to go into the Gaming Facilities Fee Revenue Fund for the administration and enforcement of the casino gambling and for the payment of vouchers that are outstanding for more than 60 days. Delays in implementation could cause some/much of this one-time revenue to fall into future fiscal years. The one-time revenues shown in FY 2022 - FY 2024 would come from reconciliation payments. These payments are collected three years after a new licensee begins operating. These payments may be made in installments over a period of no more than 2 years. The above estimate attempts to place these payments by the projected fiscal year of each casino's estimated payment. The Commission estimates this total value of reconciliation payments to be \$597.3 million.

On top of these one-time revenues, additional one-time revenues would come from the bidding of the new casinos. The value of these bids are difficult to project. In 2004, the 10th license originally received a bid of \$518 million. But after complications, the 10th license was rebid. In 2008, Midwest Gaming LLC won the rights to place a casino in Des Plaines with an up-front bid of \$125 million plus an additional \$10 million per year for 30 years (total bid of \$425 million). It is expected that a casino's bid value today has likely decreased due to the emergence of video gaming in Illinois and the current downward trend of gaming revenues. In addition, because these bids would occur amid another round of gaming expansion, the value could drop further to account for this additional competition. As shown with the Des Plaines Casino bid, the timing of when these revenues would be received would depend on the final agreement, which could result in some up-front payments, as well as, several years of annual payments.