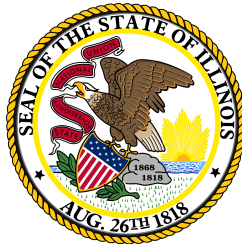


Daniel Didech

STATE REPRESENTATIVE
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Springfield, IL 62706
(217) 782-0499



Curtis J. Tarver II

STATE REPRESENTATIVE
25TH DISTRICT

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Dear Alder,

We write to express serious concern regarding the proposal to impose a new City of Chicago tax on sports betting. While we recognize the fiscal pressures the City faces and respect the difficult decisions that come with closing a budget gap, this specific policy represents both poor tax design and a missed opportunity for collaboration between the City and Springfield. To layer an additional municipal tax on top of this, particularly one expected to generate only around \$26 million, creates an outsized regulatory and administrative burden with minimal fiscal impact.

From a policy standpoint, the proposal is deeply problematic. The Illinois General Assembly has already increased the state's sports-betting tax twice in consecutive years—first from a flat 15 percent to a tiered rate as high as 40 percent, and then by adding a per-wager assessment. Illinois now has one of the highest sports-betting tax burdens in the nation. Certainly, this was a tough vote to ensure that the state had the necessary revenues it needs to serve all those who live within our state. Therefore, we recognize the importance of finding revenue to provide services.

The City of Chicago's proposal, however, sets a dangerous precedent for more than 200 home-rule municipalities across Illinois. If each (or even many) were to impose its own tax on a state-regulated industry, we would end up with a fragmented and unstable framework that undermines the consistency and predictability required for effective state regulation. The ripple effect could extend far beyond gaming. These types of policies could open the door for a patchwork of local taxes in other state-controlled policy areas, making enforcement and compliance nearly impossible.

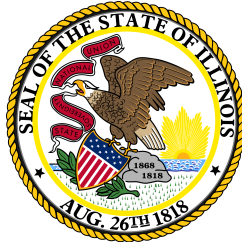
Had the City engaged the General Assembly in advance—particularly those of us who chair or serve on committees responsible for gaming, revenue, and general budget oversight there may have been a path to shape a more sound and coordinated approach. Unfortunately, that opportunity was lost. As has too often been the case, the City advanced this proposal without meaningful consultation or early dialogue, leaving

legislators, even members who represent the City of Chicago, with no choice but to oppose the measure.

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To be clear, our intention is not to target or criticize the City, but to underscore how much more can be achieved through coordination. We want to work with all municipalities, including the City of Chicago, to identify sustainable and legally sound solutions. Building an active intergovernmental affairs strategy, establishing regular communication with legislative leaders, and developing proposals that align with existing state frameworks will make future efforts far more successful.

For these reasons, we urge you not to support a budget that includes the proposed local sports-betting tax. It is a flawed policy that sets a poor precedent, provides minimal fiscal benefit, and reflects the ongoing communication gap that must be addressed if the City and the State are to move forward effectively together.

Respectfully,

A handwritten signature in blue ink, appearing to read 'D. Didech'.

Representative Daniel Didech, Chair of the Illinois House Gaming Committee

A handwritten signature in blue ink, appearing to read 'C. Tarver II'.

Representative Curtis J. Tarver II, Chair of the Illinois House Revenue Committee

Representative Jaime M. Andrade, Jr.

Representative Harry Benton

Representative Sharon Chung

Representative Margaret Croke

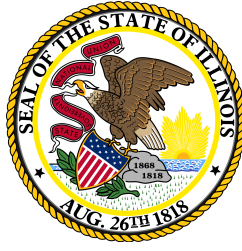
Representative Anthony DeLuca

Representative Martha Deuter

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Representative Angelica Guerrero-Cuellar

Representative Jennifer Gong-Gershowitz

Representative Matt Hanson

Representative Barbara Hernandez

Representative Jay Hoffman

Representative Gregg Johnson

Representative Michael J. Kelly

Representative Natalie A. Manley

Representative Rita Mayfield

Representative Joyce Mason

Representative Martin J. Moylan

Representative Michelle Mussman

Representative Aarón M. Ortíz

Representative Rick Ryan

Representative Justin Slaughter

Representative Nicholas K. Smith

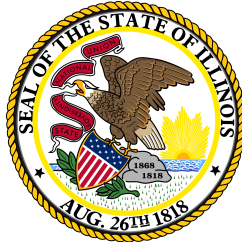
Representative Anne Stava

Representative Katie Stuart

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Representative Dave Vella

Representative Lawrence Walsh, Jr.

Representative Ann Williams