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By Karen Pierog

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CHICAGO (Reuters) - The Illinois Senate passed a bill on Wednesday that would bring much-need revenue to the cash-strapped state by expanding gambling and giving Chicago its first casino.

The 32-20 vote in the Democrat-controlled Senate sent the measure to the House.

The addition of five new casinos and 1,200 slot games at race tracks is expected to generate about \$1.2 billion in one-time revenue for the state from initial license and other fees and about \$269 million in recurring revenue once the bill is fully implemented, according to a legislative analysis.

Illinois is struggling with huge unfunded public pension liabilities and a backlog of overdue bills that has topped \$9 billion.

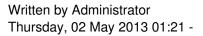
Chicago would be allotted 4,000 gambling sites for slots and other games for its casino under the bill. The city also would have an option to place slot machines at its two major airports, according to State Senator Terry Link, the bill's sponsor.

Ahead of the vote, Chicago Mayor Rahm Emanuel reiterated his vow to use casino revenue to aid Chicago's financially strapped public school system.

One of the new casinos would be in Lake County, another in a suburb south of Chicago, while the remaining two would be in Rockford and Danville.

Governor Pat Quinn has rejected gambling bills that lawmakers sent to him the past two years, citing problems with ethical standards, oversight and the planned uses of gaming revenue.

Illinois Senate passes gambling bill with Chicago casino | Reuters



Link said the new legislation addresses those concerns "to make sure the governor would be happy with this bill."

The bill moves in the right direction, according to a statement from Quinn's office.

"We're pleased to see several ethics improvements and others at the request of the governor. We continue to work with lawmakers to make additional refinements," the statement said.

The bill includes a gaming inspector general, a political contribution ban for gaming licensees and oversight of Chicago's casino by the Illinois Gaming Board. Additionally, the slots at Chicago's airports would be housed in private clubs, according to Link.

(Editing by Philip Barbara)

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