Last year marked an unlucky No. 7 for Illinois' casino industry as the state prepares to deal out a hand of new gambling meccas.

Total revenue from the state's 10 existing casinos — and the tax dollars they generate — dropped for a seventh straight year in 2019, according to a report issued Thursday by the state Commission on Government Forecasting and Accountability.

It's the bipartisan commission's latest rundown of the state's casino downturn, raising questions about the viability of a key facet of Gov. J.B. Pritzker's massive gaming expansion signed into law last year: up to six new casinos that are poised to join Illinois' crowded gambling market.

Casinos last year raked in about $1.35 billion, a 1.5% decline from the previous year and a 17.3% drop compared to 2012, the last year statewide casino revenue ticked upward.

That was also the year video gambling launched at thousands of bars and restaurants in Illinois, as well as the first full year of operation for Rivers Casino in Des Plaines. It remains the only casino in the state that has seen annual revenue growth since then, while all others have weathered "double-digit declines," the report states.

State and local governments took $455.2 million off the top of the casinos' take last year in tax revenue, again a 1.5% drop compared to 2018 and nearly 21% less than what was collected in 2012.

But despite overall casino losses , gamblers are playing — and losing — more than ever in Illinois thanks to the still-burgeoning video gambling industry. The report found that an all-time high and steadily increasing number of video gambling machines continue to take gamblers' cash and line state coffers. The 33,000-plus slots that sprouted up in nearly 7,200 establishments generated almost $1.7 billion in revenue and $503 million in taxes last year.

And Pritzker's office says that's a good harbinger for the freshman Democrat's signature $45 billion capital plan that's partially funded by the gaming expansion. Besides introducing six new casinos, sports betting and racetrack casinos , the new law also increases the number of video gaming terminals allowed in each establishment from five to six.

Gov. J.B. Pritzker signs the capital infrastructure bill last year. File photo. *Jerry Nowicki/Capitol News Illinois*

"The bipartisan gaming expansion will create jobs and spur economic development around the state while generating revenue to rebuild our universities, community colleges, state facilities and hospitals," Pritzker spokeswoman Jordan Abudayyeh said. "The administration understood the unpredictable nature of gaming revenue and took that into consideration when putting together the revenue projections for Rebuild Illinois."

As for the casino decline, the report says "a major contributing factor to this falloff is the increased competition resulting from the growth of video gaming."

That's one reason state leaders and Mayor Lori Lightfoot are still bullish on finally opening a casino in Chicago, where video gaming is banned.

City officials will head back to Springfield later this month looking to hammer out a deal to adjust the tax structure for a potential Chicago casino developer in light of a state-commissioned study that deemed the taxes "too onerous"

for anyone to turn a profit.

Mayor Lori Lightfoot talks to reporters in Springfield in November after meeting with House Democrats about the proposed Chicago casino. File Photo.John O'Connor/AP

"Regardless of the recent trends, a viable Chicago casino will pave the way to new dedicated revenues that we previously didn't have allowing us to direct much needed resources toward the city's underfunded police and fire pensions and the state's vertical capital plan," Lightfoot spokeswoman Lauren Huffman said.

"The casino will not only generate new economic activity for the city but that will generate gambling revenue from Indiana back to Illinois. We remain committed to working with the governor and the General Assembly to move forward on a workable tax structure that will finally make Chicago casino a reality after 30 years, and unlock significant annual revenues and economic opportunity for our city and state."

Read the full report from the Commission on Government Forecasting and Accountability:

Read more https://chicago.suntimes.com/2020/2/9/21128743/illinois-casino-revenue-falling-gambling-expansion