**Section 1770.60 Conditions of Licensing**

An Agent has a continuing duty to maintain suitability for licensure. *A license does not create a property right but is a revocable privilege contingent upon continuing suitability for licensure.* Licensees are subject to the following conditions of licensing:

a) Licenses issued by the Department shall be issued to a person, as defined by Section 1770.10, for a specified point of sale, as defined by Section 1770.10, on the condition that the Agent maintains eligibility under the applicable criteria under which the license was granted by the Director (see Section 1770.20);

b) Agents shall, at all times during the term of their license, comply with the Lottery Law and any rules or instructions of the Director concerning the security of Lottery equipment, Lottery game tickets or money and the proper conduct of Lottery promotions;

c) Each Agent shall make available for sale to the public, during its normal business hours, the Lottery products that the Agent has been licensed to sell;

d) No license issued pursuant to the Lottery Law shall be changed, assigned or pledged as collateral. A transfer that occurs after the Director has issued a license shall automatically terminate the license;

e) Lottery licenses or other point of sale materials shall be displayed in a conspicuous place on the business premises where the Lottery game tickets are licensed to be sold. The Department will make the odds and written play instructions available to players by publishing in the Illinois Register and on its public website (https://www.illinoislottery.com) or on request from the Department;

f) Agents shall actively promote the sale of Lottery game tickets;

g) Agents shall maintain authorized displays, drop boxes, equipment and properly display other promotional materials used in conjunction with sales in accordance with instructions issued by the Department;

h) Each Agent will be held responsible for all instant game tickets accepted from the Department or its vendors and Lottery game tickets generated by the Agent from the Department's central gaming system. All receipts from sales, less commissions earned and prizes properly paid to winners, shall be paid to the Department by the 90-day settlement deadlines. Any and all Lottery game tickets not returned by the 90-day settlement deadlines, absent any fault on the part of the Lottery sales representative, shall be considered to have been purchased by the Agent;

i) Each Agent shall maintain current and accurate records of all operations in conjunction with the sale of Lottery game tickets and make these records available to representatives of the Department and the Auditor General of Illinois upon request, during normal business hours;

j) No Lottery game ticket may be sold or shared at a price greater or less than that established by the Department's game rules, provided, the Department may authorize free ticket or discounted ticket promotions in support of marketing activities. No Agent may add a service charge, handling fee or other cost to the established price of a Lottery game ticket. No fee may be charged to redeem valid winning Lottery game tickets;

k) No Lottery Agent license shall be issued to any person to engage in business exclusively as a Lottery Agent;

l) No person other than a licensed Agent shall sell Lottery game tickets;

m) Agents shall sell Lottery game tickets on a face-to-face or authorized dispensing machine basis only at the point of sale designated in the license, and shall not conduct sales to off-premises customers by telephone, mail, parcel delivery service, or through an agent-sponsored vehicle such as a club, players' association, or similar entity;

n) *No Lottery game tickets shall be sold or given to a person under the age of 18 years, or any prize paid to a person under the age of 18* (Section 15 of the Act);

o) Each Agent shall hold the Department and the State of Illinois harmless with respect to any liability arising in connection with the Agent's Lottery game ticket sales activities;

p) Each Agent shall immediately report to the Department the loss or theft of any Lottery game tickets consigned to the Agent, with the ticket identification numbers;

q) Each Agent shall redeem all winning Lottery game tickets with a face value up to $599 or less, so long as the Agent has adequate ticket sales funds on hand. No Agent shall redeem a winning ticket with a face value equal to or greater than $600, but shall instead follow established prize claim procedures (see Section 1770.190);

r) No license shall be granted to any applicant whose prior Lottery license has been revoked less than two years prior to the date of the current application;

s) No Agent shall sell Lottery game tickets or shares issued by any governmental entity, foreign or domestic, other than tickets and shares for games operated by the Department. No Agent shall sell any other type of gambling or gaming tickets or chances other than those for which the retailer is specifically licensed by a department, board or commission of the State of Illinois or a unit of local government;

t) All Lottery proceeds are funds of the State of Illinois, must be segregated from other business or personal funds, must be held in trust on behalf of the Illinois Lottery, and the agent's fiduciary duty, under penalty of law, must maintain a separate bank account exclusively for deposit and transfer of weekly Lottery fund settlements by means of an Electronic Fund Transfer system. The account must be designated on the bank's records as "Lottery Trust Fund Account";

u) Agents are responsible for resolving net proceed discrepancies on a billing statement (i.e., differences between actual money collected and the amount shown on the billing statement);

v) Agents shall comply with all prescribed State and federal requirements for tax withholding, recording and reporting, including, without limitation, those requirements relating to the transfer, from the Agents to the tax authorities, of funds withheld from player winnings;

w) Notwithstanding subsection (u), any discrepancy regarding settlement of accounts will be resolved by the Director as deemed appropriate;

x) No person shall engage in Lottery game ticket discounting. Any person found to have engaged in the practice of discounting shall be fined, as determined by the Director:

1) For prizes of less than $1,000, not more than $250;

2) For prizes of $1,000 or more, but less than $5,000, more than $250 but not more than $500; and

3) For prizes of $5,000 or more, no less than $1,000; and

y) An Agent shall immediately notify the Department of any proposed or effective change regarding the makeup of the owners, directors, officers, partners, or key employees of the Agent.

z) An Agent must maintain with the Department certified copies of the applicant's charter, articles or certificate of incorporation, certificate of formation, certificate of statutory (or business) trust, certificate of limited partnership, statement of partnership, and any other documents which constitute or explain the legal organization of the applicant plus a certificate of good standing that has been issued by the Secretary of State for the state in which the applicant was created and that is dated within 30 days after the date of the licensing application.

aa) A Lottery retailer shall not extend credit or any public assistance benefits on the sales of lottery tickets.

(Source: Amended at 47 Ill. Reg. 13924, effective September 18, 2023)