



Sen. Dave Syverson

Filed: 5/16/2017

10000SB1427sam001

LRB100 10508 MJP 26506 a

1 AMENDMENT TO SENATE BILL 1427

2 AMENDMENT NO. _____. Amend Senate Bill 1427 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Lottery Law is amended by changing
5 Sections 3 and 7.12 as follows:

6 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

7 Sec. 3. For the purposes of this Act:

8 a. "Lottery" or "State Lottery" means the lottery, ~~or~~
9 lotteries, or the policy game commonly known as keno as
10 established and operated pursuant to this Act.

11 b. "Board" means the Lottery Control Board created by this
12 Act.

13 c. "Department" means the Department of the Lottery.

14 d. (Blank).

15 e. "Chairman" means the Chairman of the Lottery Control
16 Board.

1 f. "Multi-state game directors" means such persons,
2 including the Director, as may be designated by an agreement
3 between the Department and one or more additional lotteries
4 operated under the laws of another state or states.

5 g. (Blank).

6 h. "Director" means the Director of the Department of the
7 Lottery.

8 i. "Management agreement" means an agreement or contract
9 between the Department on behalf of the State with a private
10 manager, as an independent contractor, whereby the private
11 manager provides management services to the Lottery in exchange
12 for compensation that may consist of, among other things, a fee
13 for services and a performance-based bonus of no more than 5%
14 of Lottery profits so long as the Department continues to
15 exercise actual control over all significant business
16 decisions made by the private manager as set forth in Section
17 9.1.

18 j. "Person" means any individual, firm, association, joint
19 venture, partnership, estate, trust, syndicate, fiduciary,
20 corporation, or other legal entity, group, or combination.

21 k. "Private manager" means a person that provides
22 management services to the Lottery on behalf of the Department
23 under a management agreement.

24 l. "Profits" means total revenues accruing from the sale of
25 lottery tickets or shares and related proceeds minus (1) the
26 payment of prizes and retailer bonuses and (2) the payment of

1 costs incurred in the operation and administration of the
2 lottery, excluding costs of services directly rendered by a
3 private manager.

4 m. "Chief Procurement Officer" means the Chief Procurement
5 Officer provided for under paragraph (4) of subsection (a) of
6 Section 10-20 of the Illinois Procurement Code.

7 (Source: P.A. 97-464, eff. 8-19-11; 98-499, eff. 8-16-13.)

8 (20 ILCS 1605/7.12)

9 (Section scheduled to be repealed on July 1, 2017)

10 Sec. 7.12. Internet program.

11 (a) The General Assembly finds that:

12 (1) the consumer market in Illinois has changed since
13 the creation of the Illinois State Lottery in 1974;

14 (2) the Internet has become an integral part of
15 everyday life for a significant number of Illinois
16 residents not only in regards to their professional life,
17 but also in regards to personal business and communication;
18 and

19 (3) the current practices of selling lottery tickets
20 does not appeal to the new form of market participants who
21 prefer to make purchases on the Internet at their own
22 convenience.

23 It is the intent of the General Assembly to create an
24 Internet program for the sale of lottery tickets to capture
25 this new form of market participant.

1 (b) The Department shall create a program that allows an
2 individual 18 years of age or older to purchase lottery tickets
3 or shares on the Internet without using a Lottery retailer with
4 on-line status, as those terms are defined by rule. The
5 Department shall restrict the sale of lottery tickets on the
6 Internet to transactions initiated and received or otherwise
7 made exclusively within the State of Illinois. The Department
8 shall adopt rules necessary for the administration of this
9 program. These rules shall include, among other things,
10 requirements for marketing of the Lottery to infrequent
11 players, as well as limitations on the purchases that may be
12 made through any one individual's lottery account. The
13 provisions of this Act and the rules adopted under this Act
14 shall apply to the sale of lottery tickets or shares under this
15 program.

16 The Department may offer Lotto, Lucky Day Lotto, Mega
17 Millions, Powerball, Pick 3, Pick 4, and other draw games that
18 are offered at retail locations, as well as interactive instant
19 win games, through the Internet program. The private manager
20 shall obtain the Director's approval before providing any draw
21 games or interactive instant win games and must submit the
22 following information with the Director: the rationale for
23 introducing the draw games or interactive instant win games,
24 the consumer research on the target market, and the amount of
25 net profit that is expected. Any games that are approved for
26 sale by Lottery retail licensees are automatically approved for

1 sale on the Internet.

2 ~~Before beginning the program, the Department of the Lottery~~
3 ~~must submit a request to the United States Department of~~
4 ~~Justice for review of the State's plan to implement a program~~
5 ~~for the sale of lottery tickets on the Internet and its~~
6 ~~propriety under federal law. The Department shall implement the~~
7 ~~Internet program only if the Department of Justice does not~~
8 ~~object to the implementation of the program within a reasonable~~
9 ~~period of time after its review.~~

10 ~~The Department is obligated to implement the program set~~
11 ~~forth in this Section and Sections 7.15 and 7.16 only at such~~
12 ~~time, and to such extent, that the Department of Justice does~~
13 ~~not object to the implementation of the program within a~~
14 ~~reasonable period of time after its review. While the Illinois~~
15 ~~Lottery may only offer Lotto, Mega Millions, and Powerball~~
16 ~~games through the program, the Department shall request review~~
17 ~~from the federal Department of Justice for the Illinois Lottery~~
18 ~~to sell lottery tickets on the Internet on behalf of the State~~
19 ~~of Illinois that are not limited to just these games.~~

20 The Department shall authorize the private manager to
21 implement and administer the program pursuant to the management
22 agreement entered into under Section 9.1 and in a manner
23 consistent with the provisions of this Section. If a private
24 manager has not been selected pursuant to Section 9.1 at the
25 time the Department is obligated to implement the program or
26 has been terminated pursuant to Section 9.1, then the

1 Department shall not proceed with offering Lucky Day Lotto,
2 Pick 3, Pick 4, other draw games, or interactive instant win
3 games under the program until after the selection of a ~~the~~
4 private manager, at which time the Department shall authorize
5 the private manager to implement and administer the program
6 pursuant to the management agreement entered into under Section
7 9.1 and in a manner consistent with the provisions of this
8 Section. The Department may continue offering Lotto, Mega
9 Millions, and Powerball prior to the selection of a private
10 manager.

11 Nothing in this Section shall be construed as prohibiting
12 the Department from implementing and operating a website portal
13 whereby individuals who are 18 years of age or older with an
14 Illinois mailing address may apply to purchase lottery tickets
15 via subscription. Nothing in this Section shall also be
16 construed as prohibiting the sale of Lotto, Mega Millions, ~~and~~
17 Powerball, Lucky Day Lotto, Pick 3, or Pick 4 games by a
18 lottery licensee pursuant to the Department's rules.

19 (c) (Blank).

20 (d) (Blank). ~~This Section is repealed on July 1, 2017.~~

21 (Source: P.A. 98-499, eff. 8-16-13; 99-523, eff. 6-30-16.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law."