



Rep. Gary Hannig

**Filed: 4/5/2005**

09400HB2706ham001

LRB094 03732 BDD 44274 a

1 AMENDMENT TO HOUSE BILL 2706

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2706 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, 4, 5, 7.1, 7.2, 7.6, 7.11, 9, 10, 10.1, 10.1a,  
6 10.2, 10.6, 10.7, 12, 13, 14, 14.3, 15, 19, 21, and 24 as  
7 follows:

8 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

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

10 a. "Lottery" or "State Lottery" means the lottery or  
11 lotteries established and operated pursuant to this Act.

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

14 c. "Department" means the Department of Revenue ~~the~~  
15 ~~Lottery~~.

16 d. "Director" means the Director of Revenue ~~the Department~~  
17 ~~of the Lottery~~.

18 e. "Chairman" means the Chairman of the Lottery Control  
19 Board.

20 f. "Multi-state game directors" means such persons,  
21 including the Superintendent ~~Director of the Department of the~~  
22 ~~Lottery~~, as may be designated by an agreement between the  
23 Division ~~Department of the Lottery~~ and one or more additional  
24 lotteries operated under the laws of another state or states.

1        g. "Division" means the Division of the State Lottery of  
2 the Department of Revenue.

3        h. "Superintendent" means the Superintendent of the  
4 Division of the State Lottery of the Department of Revenue.

5 (Source: P.A. 85-183.)

6 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

7        Sec. 4. The Department of the Lottery is established to  
8 implement and regulate the State Lottery in the manner provided  
9 in this Act.

10        In accordance with Executive Order No. 9 (2003), the  
11 Division of the State Lottery is established within the  
12 Department of Revenue. Unless otherwise provided by law, the  
13 Division of the State Lottery shall be subject to and governed  
14 by all of the laws and rules applicable to the Department.

15 (Source: P.A. 84-1128.)

16 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

17        Sec. 5. The Division ~~Department of the Lottery~~ shall be  
18 under the supervision and direction of a Superintendent  
19 ~~Director of the Lottery~~, who shall be a person qualified by  
20 training and experience to perform the duties required by this  
21 Act. The Superintendent ~~Director~~ shall be appointed by the  
22 Governor, by and with the advice and consent of the Senate. The  
23 term of office of the Superintendent ~~Director~~ shall expire on  
24 the third Monday of January in odd numbered years provided that  
25 he or she shall hold ~~his~~ office until a ~~his~~ successor is  
26 appointed and qualified.

27        Any vacancy occurring in the office of the Superintendent  
28 ~~Director~~ shall be filled in the same manner as the original  
29 appointment.

30        The Superintendent ~~Director~~ shall devote his or her entire  
31 time and attention to the duties of the ~~his~~ office and shall  
32 not be engaged in any other profession or occupation. The

1 Superintendent ~~He~~ shall receive such salary as shall be  
2 provided by law.

3 (Source: P.A. 84-1128.)

4 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

5 Sec. 7.1. The Department shall promulgate such rules and  
6 regulations governing the establishment and operation of a  
7 State lottery as it deems necessary to carry out the purposes  
8 of this Act. Such rules and regulations shall be subject to the  
9 provisions of The Illinois Administrative Procedure Act. The  
10 Division shall issue written game rules, play instructions,  
11 directives, operations manuals, brochures, or any other  
12 publications necessary to conduct specific games, as  
13 authorized by rule by the Department. Any written game rules,  
14 play instructions, directives, operations manuals, brochures,  
15 or other game publications issued by the Division ~~Department~~  
16 that relate to a specific lottery game shall be maintained as a  
17 public record in the Division's ~~Department's~~ principal office,  
18 and made available for public inspection and copying but shall  
19 be exempt from the rulemaking procedures of the Illinois  
20 Administrative Procedure Act. However, when such written  
21 materials contain any policy of general applicability, the  
22 Division ~~Department~~ shall formulate and adopt such policy as a  
23 rule in accordance with the provisions of the Illinois  
24 Administrative Procedure Act. In addition, the Division  
25 ~~Department~~ shall publish each January in the Illinois Register  
26 a list of all game-specific rules, play instructions,  
27 directives, operations manuals, brochures, or other  
28 game-specific publications issued by the Division ~~Department~~  
29 during the previous year and instructions concerning how the  
30 public may obtain copies of these materials from the Division  
31 ~~Department~~.

32 (Source: P.A. 86-433.)

1 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

2 Sec. 7.2. The rules and regulations of the Department may  
3 include, but shall not be limited to, the following:

4 (1) The types of lotteries to be conducted;

5 (2) The price, or prices, of tickets or shares in the  
6 lottery;

7 (3) The numbers and sizes of the prizes on the winning  
8 tickets or shares;

9 (4) The manner of selecting the winning tickets or shares;

10 (5) The manner of payment of prizes to the holders of  
11 winning tickets or shares;

12 (6) The frequency of the drawing or selections of winning  
13 tickets or shares, without limitation;

14 (7) Without limit to number, the type or types of locations  
15 at which tickets or shares may be sold;

16 (8) The method to be used in selling tickets or shares;

17 (9) The manner and amount of compensation, if any, to be  
18 paid licensed sales agents necessary to provide for the  
19 adequate availability of tickets or shares to prospective  
20 buyers and for the convenience of the public;

21 (10) The apportionment of the total revenues accruing from  
22 the sale of lottery tickets or shares and from all other  
23 sources among (i) the payment of prizes to the holders of  
24 winning tickets or shares, (ii) the payment of costs incurred  
25 in the operation and administration of the lottery, including  
26 the expenses of the Department and the costs resulting from any  
27 contract or contracts entered into for promotional,  
28 advertising or operational services or for the purchase or  
29 lease of lottery equipment and materials, and (iii) for monthly  
30 transfers to the Common School Fund. The net revenues accruing  
31 from the sale of lottery tickets shall be determined by  
32 deducting from total revenues the payments required by  
33 paragraphs (i) and (ii) of this subsection.

34 (11) Such other matters necessary or desirable for the

1 efficient and economical operation and administration of the  
2 lottery and for the convenience of the purchasers of tickets or  
3 shares and the holders of winning tickets or shares.

4 ~~Any rules and regulations of the Department with respect to~~  
5 ~~monthly transfers to the Common School Fund are subject to~~  
6 ~~Section 21.2.~~

7 (Source: P.A. 84-1128.)

8 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

9 Sec. 7.6. The Board shall advise and make recommendations  
10 to the Superintendent or the Director regarding the functions  
11 and operations of the State Lottery. A copy of all such  
12 recommendations shall also be forwarded to the Governor, the  
13 Attorney General, the Speaker of the House, the President of  
14 the Senate and the minority leaders of both houses.

15 (Source: P.A. 84-1128.)

16 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

17 Sec. 7.11. The Division ~~Department~~ may establish and  
18 collect nominal charges for promotional products ("premiums")  
19 and other promotional materials produced or acquired by the  
20 Division ~~Department~~ as part of its advertising and promotion  
21 activities. Such premiums or other promotional materials may be  
22 sold to individuals, government agencies and not-for-profit  
23 organizations, but not to for-profit enterprises for the  
24 purpose of resale. Other State agencies shall be charged no  
25 more than the cost to the Division ~~Department~~ of the premium or  
26 promotional material. All proceeds from the sale of premiums or  
27 promotional materials shall be deposited in the State Lottery  
28 Fund in the State Treasury.

29 (Source: P.A. 86-1220.)

30 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

31 Sec. 9. The Superintendent ~~Director~~, as administrative

1 head of the Division ~~Department of the Lottery~~, shall direct  
2 and supervise all its administrative and technical activities  
3 and shall report to the Director. In addition to the duties  
4 imposed upon him elsewhere in this Act, it shall be the  
5 Superintendent's ~~his~~ duty:

6 a. To supervise and administer the operation of the lottery  
7 in accordance with the provisions of this Act or such rules and  
8 regulations of the Department adopted thereunder.

9 b. To attend meetings of the Board ~~Department~~ or to appoint  
10 a designee to attend in his stead.

11 c. To employ and direct such personnel in accord with the  
12 Personnel Code, as may be necessary to carry out the purposes  
13 of this Act. The Superintendent may, subject to the approval of  
14 the Director, use the services, personnel, or facilities of the  
15 Department. In addition, the Superintendent ~~Director~~ may by  
16 agreement secure such services as he or she may deem necessary  
17 from any other department, agency, or unit of the State  
18 government, and may employ and compensate such consultants and  
19 technical assistants as may be required and is otherwise  
20 permitted by law.

21 d. To license, in accordance with the provisions of  
22 Sections 10 and 10.1 of this Act and the rules and regulations  
23 of the Department adopted thereunder, as agents to sell lottery  
24 tickets such persons as in his opinion will best serve the  
25 public convenience and promote the sale of tickets or shares.  
26 The Superintendent ~~Director~~ may require a bond from every  
27 licensed agent, in such amount as provided in the rules and  
28 regulations of the Department. Every licensed agent shall  
29 prominently display his license, or a copy thereof, as provided  
30 in the rules and regulations of the Department.

31 e. To suspend or revoke any license issued pursuant to this  
32 Act or the rules and regulations promulgated by the Department  
33 thereunder.

34 f. To confer regularly as necessary or desirable and not

1 less than once every month with the Lottery Control Board on  
2 the operation and administration of the Lottery; to make  
3 available for inspection by the Board or any member of the  
4 Board, upon request, all books, records, files, and other  
5 information and documents of his office; to advise the Board  
6 and recommend such rules and regulations and such other matters  
7 as he deems necessary and advisable to improve the operation  
8 and administration of the lottery.

9 g. To enter into contracts for the operation of the  
10 lottery, or any part thereof, and into contracts for the  
11 promotion of the lottery on behalf of the Department with any  
12 person, firm or corporation, to perform any of the functions  
13 provided for in this Act or the rules and regulations  
14 promulgated thereunder. The Department shall not expend State  
15 funds on a contractual basis for such functions unless those  
16 functions and expenditures are expressly authorized by the  
17 General Assembly.

18 h. To enter into an agreement or agreements with the  
19 management of state lotteries operated pursuant to the laws of  
20 other states for the purpose of creating and operating a  
21 multi-state lottery game wherein a separate and distinct prize  
22 pool would be combined to award larger prizes to the public  
23 than could be offered by the several state lotteries,  
24 individually. No tickets or shares offered in connection with a  
25 multi-state lottery game shall be sold within the State of  
26 Illinois, except those offered by and through the Department.  
27 No such agreement shall purport to pledge the full faith and  
28 credit of the State of Illinois, nor shall the Department  
29 expend State funds on a contractual basis in connection with  
30 any such game unless such expenditures are expressly authorized  
31 by the General Assembly, provided, however, that in the event  
32 of error or omission by the Illinois State Lottery in the  
33 conduct of the game, as determined by the multi-state game  
34 directors, the Department shall be authorized to pay a prize

1 winner or winners the lesser of a disputed prize or \$1,000,000,  
2 any such payment to be made solely from funds appropriated for  
3 game prize purposes. The Department shall be authorized to  
4 share in the ordinary operating expenses of any such  
5 multi-state lottery game, from funds appropriated by the  
6 General Assembly, and in the event the multi-state game control  
7 offices are physically located within the State of Illinois,  
8 the Department is authorized to advance start-up operating  
9 costs not to exceed \$150,000, subject to proportionate  
10 reimbursement of such costs by the other participating state  
11 lotteries. The Department shall be authorized to share  
12 proportionately in the costs of establishing a liability  
13 reserve fund from funds appropriated by the General Assembly.  
14 The Department is authorized to transfer prize award funds  
15 attributable to Illinois sales of multi-state lottery game  
16 tickets to the multi-state control office, or its designated  
17 depository, for deposit to such game pool account or accounts  
18 as may be established by the multi-state game directors, the  
19 records of which account or accounts shall be available at all  
20 times for inspection in an audit by the Auditor General of  
21 Illinois and any other auditors pursuant to the laws of the  
22 State of Illinois. No multi-state game prize awarded to a  
23 nonresident of Illinois, with respect to a ticket or share  
24 purchased in a state other than the State of Illinois, shall be  
25 deemed to be a prize awarded under this Act for the purpose of  
26 taxation under the Illinois Income Tax Act. All of the net  
27 revenues accruing from the sale of multi-state lottery tickets  
28 or shares shall be transferred into the Common School Fund  
29 pursuant to Section 7.2. The Department shall promulgate such  
30 rules as may be appropriate to implement the provisions of this  
31 Section.

32 i. To make a continuous study and investigation of (1) the  
33 operation and the administration of similar laws which may be  
34 in effect in other states or countries, (2) any literature on



1 the subject which from time to time may be published or  
2 available, (3) any Federal laws which may affect the operation  
3 of the lottery, and (4) the reaction of Illinois citizens to  
4 existing and potential features of the lottery with a view to  
5 recommending or effecting changes that will tend to serve the  
6 purposes of this Act.

7 j. To report monthly to the State Treasurer and the Lottery  
8 Control Board a full and complete statement of lottery  
9 revenues, prize disbursements and other expenses for each month  
10 and the amounts to be transferred to the Common School Fund  
11 pursuant to Section 7.2 or such other funds as are otherwise  
12 authorized by Section 21.2 of this Act, and to make an annual  
13 report, which shall include a full and complete statement of  
14 lottery revenues, prize disbursements and other expenses, to  
15 the Governor and the Board. All reports required by this  
16 subsection shall be public and copies of all such reports shall  
17 be sent to the Speaker of the House, the President of the  
18 Senate, and the minority leaders of both houses.

19 (Source: P.A. 85-183.)

20 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

21 Sec. 10. The Division ~~Department~~, upon application  
22 therefor on forms prescribed by the Division ~~Department~~, and  
23 upon a determination by the Division ~~Department~~ that the  
24 applicant meets all of the qualifications specified in this  
25 Act, shall issue a license as an agent to sell lottery tickets  
26 or shares. No license as an agent to sell lottery tickets or  
27 shares shall be issued to any person to engage in business  
28 exclusively as a lottery sales agent.

29 Before issuing such license the Superintendent ~~Director~~  
30 shall consider (a) the financial responsibility and security of  
31 the person and his business or activity, (b) the accessibility  
32 of his place of business or activity to the public, (c) the  
33 sufficiency of existing licenses to serve the public

1 convenience, (d) the volume of expected sales, and (e) such  
2 other factors as he or she may deem appropriate.

3       Until September 1, 1987, the provisions of Sections 2a, 4,  
4 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,  
5 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are  
6 not inconsistent with this Act shall apply to the subject  
7 matter of this Act to the same extent as if such provisions  
8 were included in this Act. For purposes of this Act, references  
9 in such incorporated Sections of the Retailers' Occupation Tax  
10 Act to retailers, sellers or persons engaged in the business of  
11 selling tangible personal property mean persons engaged in  
12 selling lottery tickets or shares; references in such  
13 incorporated Sections to sales of tangible personal property  
14 mean the selling of lottery tickets or shares; and references  
15 in such incorporated Sections to certificates of registration  
16 mean licenses issued under this Act. The provisions of the  
17 Retailers' Occupation Tax Act as heretofore applied to the  
18 subject matter of this Act shall not apply with respect to  
19 tickets sold by or delivered to lottery sales agents on and  
20 after September 1, 1987, but such provisions shall continue to  
21 apply with respect to transactions involving the sale and  
22 delivery of tickets prior to September 1, 1987.

23       All licenses issued by the Division ~~Department~~ under this  
24 Act shall be valid for a period not to exceed 2 years after  
25 issuance unless sooner revoked, canceled or suspended as in  
26 this Act provided. No license issued under this Act shall be  
27 transferable or assignable. Such license shall be  
28 conspicuously displayed in the place of business conducted by  
29 the licensee in Illinois where lottery tickets or shares are to  
30 be sold under such license.

31       For purposes of this Section, the term "person" shall be  
32 construed to mean and include an individual, association,  
33 partnership, corporation, club, trust, estate, society,  
34 company, joint stock company, receiver, trustee, referee, any

1 other person acting in a fiduciary or representative capacity  
2 who is appointed by a court, or any combination of individuals.  
3 "Person" includes any department, commission, agency or  
4 instrumentality of the State, including any county, city,  
5 village, or township and any agency or instrumentality thereof.  
6 (Source: P.A. 86-1475; 87-895.)

7 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

8 Sec. 10.1. The following are ineligible for any license  
9 under this Act:

10 (a) any person who has been convicted of a felony;

11 (b) any person who is or has been a professional gambler or  
12 gambling promoter;

13 (c) any person who has engaged in bookmaking or other forms  
14 of illegal gambling;

15 (d) any person who is not of good character and reputation  
16 in the community in which he resides;

17 (e) any person who has been found guilty of any fraud or  
18 misrepresentation in any connection;

19 (f) any firm or corporation in which a person defined in  
20 (a), (b), (c), (d) or (e) has a proprietary, equitable or  
21 credit interest of 5% or more.

22 (g) any organization in which a person defined in (a), (b),  
23 (c), (d) or (e) is an officer, director, or managing agent,  
24 whether compensated or not;

25 (h) any organization in which a person defined in (a), (b),  
26 (c), (d), or (e) is to participate in the management or sales  
27 of lottery tickets or shares.

28 However, with respect to persons defined in (a), the  
29 Department may grant any such person a license under this Act  
30 when:

31 1) at least 10 years have elapsed since the date when the  
32 sentence for the most recent such conviction was satisfactorily  
33 completed;

1           2) the applicant has no history of criminal activity  
2 subsequent to such conviction;

3           3) the applicant has complied with all conditions of  
4 probation, conditional discharge, supervision, parole or  
5 mandatory supervised release; and

6           4) the applicant presents at least 3 letters of  
7 recommendation from responsible citizens in his community who  
8 personally can attest that the character and attitude of the  
9 applicant indicate that he is unlikely to commit another crime.

10          The Division ~~Department~~ may revoke, without notice or a  
11 hearing, the license of any agent who violates this Act or any  
12 rule or regulation promulgated pursuant to this Act. However,  
13 if the Division ~~Department~~ does revoke a license without notice  
14 and an opportunity for a hearing, the Division ~~Department~~  
15 shall, by appropriate notice, afford the person whose license  
16 has been revoked an opportunity for a hearing within 30 days  
17 after the revocation order has been issued. As a result of any  
18 such hearing, the Division ~~Department~~ may confirm its action in  
19 revoking the license, or it may order the restoration of such  
20 license.

21          (Source: P.A. 82-404.)

22           (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

23          Sec. 10.1a. In addition to other grounds specified in this  
24 Act, the Division ~~Department~~ shall refuse to issue and shall  
25 suspend the license of any lottery sales agency who fails to  
26 file a return, or to pay the tax, penalty or interest shown in  
27 a filed return, or to pay any final assessment of tax, penalty  
28 or interest, as required by any tax Act administered by the  
29 ~~Illinois~~ Department ~~of Revenue~~, until such time as the  
30 requirements of any such tax Act are satisfied, unless the  
31 agency is contesting, in accordance with the procedures  
32 established by the appropriate revenue Act, its liability for  
33 the tax or the amount of tax. The Division ~~Department~~ shall

1 affirmatively verify the tax status of every sales agency  
2 before issuing or renewing a license. For purposes of this  
3 Section, a sales agency shall not be considered delinquent in  
4 the payment of a tax if the agency (a) has entered into an  
5 agreement with the Department ~~of Revenue~~ for the payment of all  
6 such taxes that are due and (b) is in compliance with the  
7 agreement.

8 (Source: P.A. 87-341.)

9 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

10 Sec. 10.2. Application and other fees. Each application  
11 for a new lottery license must be accompanied by a one-time  
12 application fee of \$50; the Division ~~Department~~, however, may  
13 waive the fee for licenses of limited duration as provided by  
14 Department rule. Each application for renewal of a lottery  
15 license must be accompanied by a renewal fee of \$25. Each  
16 lottery licensee granted on-line status pursuant to the  
17 Department's rules must pay a fee of \$10 per week as partial  
18 reimbursement for telecommunications charges incurred by the  
19 Department in providing access to the lottery's on-line gaming  
20 system. The Department, by rule, may increase or decrease the  
21 amount of these fees.

22 (Source: P.A. 93-840, eff. 7-30-04.)

23 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

24 Sec. 10.6. The Division ~~Department~~ shall make an effort to  
25 more directly inform players of the odds of winning prizes.  
26 This effort shall include, at a minimum, that the Division  
27 ~~Department~~ require all ticket agents to display a placard  
28 stating the odds of winning for each game offered by that  
29 agent.

30 (Source: P.A. 85-183.)

31 (20 ILCS 1605/10.7)

1           Sec. 10.7. Compulsive gambling.

2           (a) Each lottery sales agent shall post a statement  
3 regarding obtaining assistance with gambling problems and  
4 including a toll-free "800" telephone number providing crisis  
5 counseling and referral services to families experiencing  
6 difficulty as a result of problem or compulsive gambling. The  
7 text of the statement shall be determined by rule by the  
8 Department of Human Services, shall be no more than one  
9 sentence in length, and shall be posted on the placard required  
10 under Section 10.6. The signs shall be provided by the  
11 Department of Human Services.

12           (b) The Division ~~Department~~ shall print a statement  
13 regarding obtaining assistance with gambling problems, the  
14 text of which shall be determined by rule by the Department of  
15 Human Services, on all paper stock it provides to the general  
16 public.

17           (c) The Division ~~Department~~ shall print a statement of no  
18 more than one sentence in length regarding obtaining assistance  
19 with gambling problems and including a toll-free "800" number  
20 providing crisis counseling and referral services to families  
21 experiencing difficulty as a result of problem or compulsive  
22 gambling on the back of all lottery tickets.

23           (Source: P.A. 89-374, eff. 1-1-96; 89-507, eff. 7-1-97.)

24           (20 ILCS 1605/12) (from Ch. 120, par. 1162)

25           Sec. 12. The public inspection and copying of the records  
26 and data of the Division ~~Department~~ and the Board shall be  
27 generally governed by the provisions of the Freedom of  
28 Information Act except that the following shall additionally be  
29 exempt from inspection and copying:

30           (i) information privileged against introduction in  
31 judicial proceedings;

32           (ii) internal communications of the several agencies;

33           (iii) information concerning secret manufacturing

1 processes or confidential data submitted by any person under  
2 this Act;

3 (iv) any creative proposals, scripts, storyboards or other  
4 materials prepared by or for the Division ~~Department~~, prior to  
5 the placement of the materials in the media, if the prior  
6 release of the materials would compromise the effectiveness of  
7 an advertising campaign;~~;~~

8 (v) results of marketing research that, if disclosed, could  
9 give a competitive advantage to forms of gambling other than  
10 the State Lottery.

11 (Source: P.A. 88-522.)

12 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

13 Sec. 13. Except as otherwise provided in Section 13.1, no  
14 prize, nor any portion of a prize, nor any right of any person  
15 to a prize awarded shall be assignable. Any prize, or portion  
16 thereof remaining unpaid at the death of a prize winner, may be  
17 paid to the estate of such deceased prize winner, or to the  
18 trustee under a revocable living trust established by the  
19 deceased prize winner as settlor, provided that a copy of such  
20 a trust has been filed with the Department along with a  
21 notarized letter of direction from the settlor and no written  
22 notice of revocation has been received by the Division  
23 ~~Department~~ prior to the settlor's death. Following such a  
24 settlor's death and prior to any payment to such a successor  
25 trustee, the Superintendent ~~Director~~ shall obtain from the  
26 trustee ~~and each trust beneficiary~~ a written agreement to  
27 indemnify and hold the Department and the Division harmless  
28 with respect to any claims that may be asserted against the  
29 Department or the Division arising from payment to or through  
30 the trust. Notwithstanding any other provision of this Section,  
31 any person pursuant to an appropriate judicial order may be  
32 paid the prize to which a winner is entitled, and all or part  
33 of any prize otherwise payable by State warrant under this

1 Section shall be withheld upon certification to the State  
2 Comptroller from the Illinois Department of Public Aid as  
3 provided in Section 10-17.5 of The Illinois Public Aid Code.  
4 The Director and the Superintendent shall be discharged of all  
5 further liability upon payment of a prize pursuant to this  
6 Section.

7 (Source: P.A. 93-465, eff. 1-1-04.)

8 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

9 Sec. 14. No person shall sell a ticket or share at a price  
10 greater than that fixed by rule or regulation of the Department  
11 or the Division. No person other than a licensed lottery sales  
12 agent or distributor shall sell or resell lottery tickets or  
13 shares. No person shall charge a fee to redeem a winning ticket  
14 or share.

15 Any person convicted of violating this Section shall be  
16 guilty of a Class B misdemeanor; provided, that if any offense  
17 under this Section is a subsequent offense, the offender shall  
18 be guilty of a Class 4 felony.

19 (Source: P.A. 87-1271.)

20 (20 ILCS 1605/14.3)

21 Sec. 14.3. Misuse of proprietary material prohibited.  
22 Except as may be provided in Section 7.11, or by bona fide sale  
23 or by prior authorization from the Department or the Division,  
24 or otherwise by law, all premiums, promotional and other  
25 proprietary material produced or acquired by the Division  
26 ~~Department~~ as part of its advertising and promotional  
27 activities shall remain the property of the Department. Nothing  
28 herein shall be construed to affect the rights or obligations  
29 of the Department or any other person under federal or State  
30 trademark or copyright laws.

31 (Source: P.A. 88-522.)



1 (20 ILCS 1605/15) (from Ch. 120, par. 1165)

2 Sec. 15. No minor under 18 years of age shall buy a lottery  
3 ticket or share. No person shall sell, distribute samples of,  
4 or furnish a lottery ticket or share to any minor under 18  
5 years of age, buy a lottery ticket or share for any minor under  
6 18 years of age, or aid and abet in the purchase of lottery  
7 tickets or shares by a minor under 18 years of age.

8 No ticket or share shall be purchased by, and no prize  
9 shall be paid to any of the following persons: any member of  
10 the Board or any officer or other person employed by the Board  
11 or by the Division; any officer or employee of the Department  
12 directly performing services for the Division ~~Department~~; any  
13 spouse, child, brother, sister or parent residing as a member  
14 of the same household in the principal place of abode of any  
15 such persons; or any minor under 18 years of age.

16 Any violation of this Section by a person other than the  
17 purchasing minor shall be a Class B misdemeanor; provided, that  
18 if any violation of this Section is a subsequent violation, the  
19 offender shall be guilty of a Class 4 felony. Notwithstanding  
20 any provision to the contrary, a violation of this Section by a  
21 minor under 18 years of age shall be a petty offense.

22 (Source: P.A. 90-346, eff. 8-8-97.)

23 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

24 Sec. 19. The Division ~~Department~~ shall establish an  
25 appropriate period for the claiming of prizes for each lottery  
26 game offered. Each claim period shall be stated in game rules  
27 and written play instructions issued by the Superintendent  
28 ~~Director~~ in accordance with Section 7.1 of this Act. Written  
29 play instructions shall be made available to all players  
30 through sales agents licensed to sell game tickets or shares.  
31 Prizes for lottery games which involve the purchase of a  
32 physical lottery ticket may be claimed only by presentation of  
33 a valid winning lottery ticket that matches validation records

1 on file with the Lottery; no claim may be honored which is  
2 based on the assertion that the ticket was lost or stolen. No  
3 lottery ticket which has been altered, mutilated, or fails to  
4 pass validation tests shall be deemed to be a winning ticket.

5 If no claim is made for the money within the established  
6 claim period, the prize may be included in the prize pool of  
7 such special drawing or drawings as the Division ~~Department~~  
8 may, from time to time, designate. Unclaimed multi-state game  
9 prize money may be included in the multi-state prize pool for  
10 such special drawing or drawings as the multi-state game  
11 directors may, from time to time, designate. Any bonuses  
12 offered by the Department to sales agents who sell winning  
13 tickets or shares shall be payable to such agents regardless of  
14 whether or not the prize money on the ticket or share is  
15 claimed, provided that the agent can be identified as the  
16 vendor of the winning ticket or share, and that the winning  
17 ticket or share was sold on or after January 1, 1984. All  
18 unclaimed prize money not included in the prize pool of a  
19 special drawing shall be transferred to the Common School Fund.  
20 (Source: P.A. 90-724, eff. 1-1-99.)

21 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

22 Sec. 21. All lottery sales agents or distributors shall be  
23 liable to the Lottery for any and all tickets accepted or  
24 generated by any employee or representative of that agent or  
25 distributor, and such tickets shall be deemed to have been  
26 purchased by the agent or distributor unless returned to the  
27 Lottery within the time and in the manner prescribed by the  
28 Superintendent ~~Director~~. All moneys received by such agents or  
29 distributors from the sale of lottery tickets or shares, less  
30 the amount retained as compensation for the sale of the tickets  
31 or shares and the amount paid out as prizes, shall be paid over  
32 to a lottery representative or deposited in a bank or savings  
33 and loan association approved by the State Treasurer, as

1 prescribed by the Superintendent ~~Director~~.

2 No bank or savings and loan association shall receive  
3 public funds as permitted by this Section, unless it has  
4 complied with the requirements established pursuant to Section  
5 6 of the Public Funds Investment Act.

6 Each payment or deposit shall be accompanied by a report of  
7 the agent's receipts and transactions in the sale of lottery  
8 tickets in such form and containing such information as the  
9 Superintendent ~~Director~~ may require. Any discrepancies in such  
10 receipts and transactions may be resolved as provided by the  
11 rules and regulations of the Department.

12 If any money due the Lottery by a sales agent or  
13 distributor is not paid when due or demanded, it shall  
14 immediately become delinquent and be billed on a subsequent  
15 monthly statement. If on the closing date for any monthly  
16 statement a delinquent amount previously billed of more than  
17 \$50 remains unpaid, interest in such amount shall be accrued at  
18 the rate of 2% per month or fraction thereof from the date when  
19 such delinquent amount becomes past due until such delinquent  
20 amount, including interest, penalty and other costs and charges  
21 that the Department may incur in collecting such amounts, is  
22 paid. In case any agent or distributor fails to pay any moneys  
23 due the Lottery within 30 days after a second bill or statement  
24 is rendered to the agent or distributor, such amount shall be  
25 deemed seriously delinquent and may be referred by the  
26 Department to a collection agency or credit bureau for  
27 collection. Any contract entered into by the Department for the  
28 collection of seriously delinquent accounts with a collection  
29 agency or credit bureau may be satisfied by a commercially  
30 reasonable percentage of the delinquent account recouped,  
31 which shall be negotiated by the Department in accordance with  
32 commercially accepted standards. Any costs incurred by the  
33 Department or others authorized to act in its behalf in  
34 collecting such delinquencies may be assessed against the agent

1 or distributor and included as a part of the delinquent  
2 account.

3 In case of failure of an agent or distributor to pay a  
4 seriously delinquent amount, or any portion thereof, including  
5 interest, penalty and costs, the Division ~~Department~~ may issue  
6 a Notice of Assessment. In determining amounts shown on the  
7 Notice of Assessment, the Division ~~Department~~ shall utilize the  
8 financial information available from its records. Such Notice  
9 of Assessment shall be prima facie correct and shall be prima  
10 facie evidence of delinquent sums due under this Section at any  
11 hearing before the Board, or its Hearing Officers, or at any  
12 other legal proceeding. Reproduced copies of the Division's  
13 ~~Department's~~ records relating to a delinquent account or a  
14 Notice of Assessment offered in the name of the Department,  
15 under the Certificate of the Director or any officer or  
16 employee of the Department designated in writing by the  
17 Director shall, without further proof, be admitted into  
18 evidence in any such hearing or any legal proceeding and shall  
19 be prima facie proof of the delinquency, including principal  
20 and any interest, penalties and costs, as shown thereon. The  
21 Attorney General may bring suit on behalf of the Department to  
22 collect all such delinquent amounts, or any portion thereof,  
23 including interest, penalty and costs, due the Lottery.

24 Any person who accepts money that is due to the Department  
25 from the sale of lottery tickets under this Act, but who  
26 wilfully fails to remit such payment to the Department when due  
27 or who purports to make such payment but wilfully fails to do  
28 so because his check or other remittance fails to clear the  
29 bank or savings and loan association against which it is drawn,  
30 in addition to the amount due and in addition to any other  
31 penalty provided by law, shall be assessed, and shall pay, a  
32 penalty equal to 5% of the deficiency plus any costs or charges  
33 incurred by the Department in collecting such amount.

34 The Director may make such arrangements for any person(s),

1 banks, savings and loan associations or distributors, to  
2 perform such functions, activities or services in connection  
3 with the operation of the lottery as he deems advisable  
4 pursuant to this Act, the State Comptroller Act, or the rules  
5 and regulations of the Department, and such functions,  
6 activities or services shall constitute lawful functions,  
7 activities and services of such person(s), banks, savings and  
8 loan associations or distributors.

9 All income arising out of any activity or purpose of the  
10 Division ~~Department~~ shall, pursuant to the State Finance Act,  
11 be paid into the State Treasury except as otherwise provided by  
12 the rules and regulations of the Department and shall be  
13 covered into a special fund to be known as the State Lottery  
14 Fund. Banks and savings and loan associations may be  
15 compensated for services rendered based upon the activity and  
16 amount of funds on deposit.

17 (Source: P.A. 91-357, eff. 7-29-99.)

18 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

19 Sec. 24. The State Comptroller shall conduct a preaudit of  
20 all accounts and transactions of the Department in connection  
21 with the operation of the State Lottery under the State  
22 Comptroller Act, excluding payments issued by the Department  
23 for prizes of \$25,000 or less.

24 The Auditor General or a certified public accountant firm  
25 appointed by him shall conduct an annual post-audit of all  
26 accounts and transactions of the Department in connection with  
27 the operation of the State Lottery and other special post  
28 audits as the Auditor General, the Legislative Audit  
29 Commission, or the General Assembly deems necessary. The annual  
30 post-audits shall include payments made by lottery sales agents  
31 of prizes of less than \$600 authorized under Section 20, and  
32 payments made by the Department of prizes up to \$25,000  
33 authorized under Section 20.1. The Auditor General or his agent

1 conducting an audit under this Act shall have access and  
2 authority to examine any and all records of the Department or  
3 the Board, its distributing agents and its licensees.

4 (Source: P.A. 91-357, eff. 7-29-99.)

5 Section 10. The Illinois Income Tax Act is amended by  
6 changing Sections 704 and 902 as follows:

7 (35 ILCS 5/704) (from Ch. 120, par. 7-704)

8 Sec. 704. Employer's Return and Payment of Tax Withheld.

9 (a) In general, every employer who deducts and withholds or  
10 is required to deduct and withhold tax under this Act shall  
11 make such payments and returns as hereinafter provided.

12 (b) Quarter Monthly Payments: Returns. Every employer who  
13 deducts and withholds or is required to deduct and withhold tax  
14 under this Act shall, on or before the third banking day  
15 following the close of a quarter monthly period, pay to the  
16 Department or to a depository designated by the Department,  
17 pursuant to regulations prescribed by the Department, the taxes  
18 so required to be deducted and withheld, whenever the aggregate  
19 amount withheld by such employer (together with amounts  
20 previously withheld and not paid to the Department) exceeds  
21 \$1,000. For purposes of this Section, Saturdays, Sundays, legal  
22 holidays and local bank holidays are not banking days. A  
23 quarter monthly period, for purposes of this subsection, ends  
24 on the 7th, 15th, 22nd and last day of each calendar month.  
25 Every such employer shall for each calendar quarter, on or  
26 before the last day of the first month following the close of  
27 such quarter, and, if required by the Department, by rule, for  
28 the calendar year, on or before the due date determined by the  
29 Department ~~January 31 of the succeeding calendar year~~, make a  
30 return with respect to such taxes in such form and manner as  
31 the Department may by regulations prescribe, and pay to the  
32 Department or to a depository designated by the Department all

1 withheld taxes not previously paid to the Department.

2 (c) Monthly Payments: Returns. Every employer required to  
3 deduct and withhold tax under this Act shall, on or before the  
4 15th day of the second and third months of each calendar  
5 quarter, and on or before the last day of the month following  
6 the last month of each such quarter, pay to the Department or  
7 to a depository designated by the Department, pursuant to  
8 regulations prescribed by the Department, the taxes so required  
9 to be deducted and withheld, whenever the aggregate amount  
10 withheld by such employer (together with amounts previously  
11 withheld and not paid to the Department) exceeds \$500 but does  
12 not exceed \$1,000. Every such employer shall for each calendar  
13 quarter, on or before the last day of the first month following  
14 the close of such quarter, and, if required by the Department,  
15 by rule, for the calendar year, on or before the due date  
16 determined by the Department ~~January 31 of the succeeding~~  
17 ~~calendar year~~, make a return with respect to such taxes in such  
18 form and manner as the Department may by regulations prescribe,  
19 and pay to the Department or to a depository designated by the  
20 Department all withheld taxes not previously paid to the  
21 Department.

22 (d) Annual Payments: Returns. Where the amount of  
23 compensation paid by an employer is not sufficient to require  
24 the withholding of tax from the compensation of any of its  
25 employees (or where the aggregate amount withheld is less than  
26 \$500), the Department may by regulation permit such employer to  
27 file only an annual return and to pay the taxes required to be  
28 deducted and withheld at the time of filing such annual return.

29 (e) Annual Return. The Department may, as it deems  
30 appropriate, prescribe by regulation for the filing of annual  
31 returns in lieu of quarterly returns described in subsections  
32 (b) and (c).

33 (e-5) Annual Return and Payment. On and after January 1,  
34 1998, notwithstanding subsections (b) through (d) of this

1 Section, every employer who deducts and withholds or is  
2 required to deduct and withhold tax from a person engaged in  
3 domestic service employment, as that term is defined in Section  
4 3510 of the Internal Revenue Code, may comply with the  
5 requirements of this Section by filing an annual return and  
6 paying the taxes required to be deducted and withheld on or  
7 before the 15th day of the fourth month following the close of  
8 the employer's taxable year. The annual return may be submitted  
9 with the employer's individual income tax return.

10 (f) Magnetic Media Filing. Forms W-2 that, pursuant to the  
11 Internal Revenue Code and regulations promulgated thereunder,  
12 are required to be submitted to the Internal Revenue Service on  
13 magnetic media, must also be submitted to the Department on  
14 magnetic media for Illinois purposes, if required by the  
15 Department.

16 (Source: P.A. 90-374, eff. 8-14-97; 90-562, eff. 12-16-97.)

17 (35 ILCS 5/902) (from Ch. 120, par. 9-902)

18 Sec. 902. Notice and Demand.

19 (a) In general. Except as provided in subsection (b) the  
20 Director shall, as soon as practicable after an amount payable  
21 under this Act is deemed assessed (as provided in Section 903),  
22 give notice to each person liable for any unpaid portion of  
23 such assessment, stating the amount unpaid and demanding  
24 payment thereof. In the case of tax deemed assessed with the  
25 filing of a return, the Director shall give notice no later  
26 than 3 years after the date the return was filed. Upon receipt  
27 of any notice and demand there shall be paid at the place and  
28 time stated in such notice the amount stated in such notice.  
29 Such notice shall be left at the dwelling or usual place of  
30 business of such person or shall be sent by mail to the  
31 person's last known address.

32 (b) Judicial review. In the case of a deficiency deemed  
33 assessed under Section 903 (a) (2) after the filing of a



1 protest, notice and demand shall not be made with respect to  
2 such assessment until all proceedings in court for the review  
3 of such assessment have terminated or the time for the taking  
4 thereof has expired without such proceedings being instituted.

5 (c) Action for recovery of taxes. At any time that the  
6 Department might commence proceedings for a levy under Section  
7 1109, regardless of whether a notice of lien was filed under  
8 the provisions of Section 1103, it may bring an action in any  
9 court of competent jurisdiction within or without this State in  
10 the name of the people of this State to recover the amount of  
11 any taxes, penalties and interest due and unpaid under this  
12 Act. In such action, the certificate of the Department showing  
13 the amount of the delinquency shall be prima facie evidence of  
14 the correctness of such amount, its assessment and of the  
15 compliance by the Department with all the provisions of this  
16 Act.

17 (d) Sales or transfers outside the usual course of  
18 business-Report-Payment of Tax - Rights and duties of purchaser  
19 or transferee - penalty. If any taxpayer, outside the usual  
20 course of his business, sells or transfers the major part of  
21 any one or more of (A) the stock of goods which he is engaged in  
22 the business of selling, or (B) the furniture or fixtures, or  
23 (C) the machinery and equipment, or (D) the real property, of  
24 any business that is subject to the provisions of this Act, the  
25 purchaser or transferee of such assets shall, no later than 10  
26 business days after the sale or transfer, file a notice of sale  
27 or transfer of business assets with the Chicago office of the  
28 Department disclosing the name and address of the seller or  
29 transferor, the name and address of the purchaser or  
30 transferee, the date of the sale or transfer, a copy of the  
31 sales contract and financing agreements which shall include a  
32 description of the property sold or transferred, the amount of  
33 the purchase price or a statement of other consideration for  
34 the sale or transfer, and the terms for payment of the purchase

1 price, and such other information as the Department may  
2 reasonably require. If the purchaser or transferee fails to  
3 file the above described notice of sale with the Department  
4 within the prescribed time, the purchaser or transferee shall  
5 be personally liable to the Department for the amount owed  
6 hereunder by the seller or transferor but unpaid, up to the  
7 amount of the reasonable value of the property acquired by the  
8 purchaser or transferee. The purchaser or transferee shall pay  
9 the Department the amount of tax, penalties, and interest owed  
10 by the seller or transferor under this Act, to the extent they  
11 have not been paid by the seller or transferor. The seller or  
12 transferor, or the purchaser or transferee, at least 10  
13 business days before the date of the sale or transfer, may  
14 notify the Department of the intended sale or transfer and  
15 request the Department to make a determination as to whether  
16 the seller or transferor owes any tax, penalty or interest due  
17 under this Act. The Department shall take such steps as may be  
18 appropriate to comply with such request.

19 Any order issued by the Department pursuant to this Section  
20 to withhold from the purchase price shall be issued within 10  
21 business days after the Department receives notification of a  
22 sale as provided in this Section. The purchaser or transferee  
23 shall withhold such portion of the purchase price as may be  
24 directed by the Department, but not to exceed a minimum amount  
25 varying by type of business, as determined by the Department  
26 pursuant to regulations, plus twice the outstanding unpaid  
27 liabilities and twice the average liability of preceding  
28 filings times the number of unfiled returns which were not  
29 filed when due, to cover the amount of all tax, penalty, and  
30 interest due and unpaid by the seller or transferor under this  
31 Act or, if the payment of money or property is not involved,  
32 shall withhold the performance of the condition that  
33 constitutes the consideration for the sale or transfer. Within  
34 60 business days after issuance of the initial order to

1 withhold, the Department shall provide written notice to the  
2 purchaser or transferee of the actual amount of all taxes,  
3 penalties and interest then due and whether or not additional  
4 amounts may become due as a result of unpaid taxes required to  
5 be withheld by an employer, returns which were not filed when  
6 due, pending assessments and audits not completed. The  
7 purchaser or transferee shall continue to withhold the amount  
8 directed to be withheld by the initial order or such lesser  
9 amount as is specified by the final withholding order or to  
10 withhold the performance of the condition which constitutes the  
11 consideration for the sale or transfer until the purchaser or  
12 transferee receives from the Department a certificate showing  
13 that no unpaid tax, penalty or interest is due from the seller  
14 or transferor under this Act.

15 The purchaser or transferee is relieved of any duty to  
16 continue to withhold from the purchase price and of any  
17 liability for tax, penalty, or interest due hereunder from the  
18 seller or transferor if the Department fails to notify the  
19 purchaser or transferee in the manner provided herein of the  
20 amount to be withheld within 10 business days after the sale or  
21 transfer has been reported to the Department or within 60  
22 business days after issuance of the initial order to withhold,  
23 as the case may be. The Department shall have the right to  
24 determine amounts claimed on an estimated basis to allow for  
25 periods for which returns were not filed when due, pending  
26 assessments and audits not completed, however the purchaser or  
27 transferee shall be personally liable only for the actual  
28 amount due when determined.

29 If the seller or transferor has failed to pay the tax,  
30 penalty, and interest due from him hereunder and the Department  
31 makes timely claim therefor against the purchaser or transferee  
32 as hereinabove provided, then the purchaser or transferee shall  
33 pay to the Department the amount so withheld from the purchase  
34 price. If the purchaser or transferee fails to comply with the

1 requirements of this Section, the purchaser or transferee shall  
2 be personally liable to the Department for the amount owed  
3 hereunder by the seller or transferor up to the amount of the  
4 reasonable value of the property acquired by the purchaser or  
5 transferee.

6 Any person who shall acquire any property or rights thereto  
7 which, at the time of such acquisition, is subject to a valid  
8 lien in favor of the Department, shall be personally liable to  
9 the Department for a sum equal to the amount of taxes,  
10 penalties and interests, secured by such lien, but not to  
11 exceed the reasonable value of such property acquired by him.

12 (Source: P.A. 86-923; 86-953.)

13 Section 15. The Retailers' Occupation Tax Act is amended by  
14 changing Section 5j as follows:

15 (35 ILCS 120/5j) (from Ch. 120, par. 444j)

16 Sec. 5j. If any taxpayer, outside the usual course of his  
17 business, sells or transfers the major part of any one or more  
18 of (A) the stock of goods which he is engaged in the business  
19 of selling, or (B) the furniture or fixtures, (C) the machinery  
20 and equipment, or (D) the real property, of any business that  
21 is subject to the provisions of this Act, the purchaser or  
22 transferee of such asset shall, no later than 10 business days  
23 after the sale or transfer, file a notice of sale or transfer  
24 of business assets with the Chicago office of the Department  
25 disclosing the name and address of the seller or transferor,  
26 the name and address of the purchaser or transferee, the date  
27 of the sale or transfer, a copy of the sales contract and  
28 financing agreements which shall include a description of the  
29 property sold, the amount of the purchase price or a statement  
30 of other consideration for the sale or transfer, the terms for  
31 payment of the purchase price, and such other information as  
32 the Department may reasonably require. If the purchaser or

1 transferee fails to file the above described notice of sale  
2 with the Department within the prescribed time, the purchaser  
3 or transferee shall be personally liable for the amount owed  
4 hereunder by the seller or transferor to the Department up to  
5 the amount of the reasonable value of the property acquired by  
6 the purchaser or transferee. The seller or transferor shall pay  
7 the Department the amount of tax, penalty and interest (if any)  
8 due from him under this Act up to the date of the payment of  
9 tax. The seller or transferor, or the purchaser or transferee,  
10 at least 10 business days before the date of the sale or  
11 transfer, may notify the Department of the intended sale or  
12 transfer and request the Department to audit the books and  
13 records of the seller or transferor, or to do whatever else may  
14 be necessary to determine how much the seller or transferor  
15 owes to the Department hereunder up to the date of the sale or  
16 transfer. The Department shall take such steps as may be  
17 appropriate to comply with such request.

18 Any order issued by the Department pursuant to this Section  
19 to withhold from the purchase price shall be issued within 10  
20 business days after the Department receives notification of a  
21 sale as provided in this Section. The purchaser or transferee  
22 shall withhold such portion of the purchase price as may be  
23 directed by the Department, but not to exceed a minimum amount  
24 varying by type of business, as determined by the Department  
25 pursuant to regulations, plus twice the outstanding unpaid  
26 liabilities and twice the average liability of preceding  
27 filings times the number of unfiled returns, to cover the  
28 amount of all tax, penalty and interest due and unpaid by the  
29 seller or transferor under this Act or, if the payment of money  
30 or property is not involved, shall withhold the performance of  
31 the condition that constitutes the consideration for the sale  
32 or transfer. Within 60 business days after issuance of the  
33 initial order to withhold, the Department shall provide written  
34 notice to the purchaser or transferee of the actual amount of

1 all taxes, penalties and interest then due and whether or not  
2 additional amounts may become due as a result of unfiled  
3 returns, pending assessments and audits not completed. The  
4 purchaser or transferee shall continue to withhold the amount  
5 directed to be withheld by the initial order or such lesser  
6 amount as is specified by the final withholding order or to  
7 withhold the performance of the condition which constitutes the  
8 consideration for the sale or transfer until the purchaser or  
9 transferee receives from the Department a certificate showing  
10 that such tax, penalty and interest have been paid or a  
11 certificate from the Department showing that no tax, penalty or  
12 interest is due from the seller or transferor under this Act.

13 The purchaser or transferee is relieved of any duty to  
14 continue to withhold from the purchase price and of any  
15 liability for tax, penalty or interest due hereunder from the  
16 seller or transferor if the Department fails to notify the  
17 purchaser or transferee in the manner provided herein of the  
18 amount to be withheld within 10 business days after the sale or  
19 transfer has been reported to the Department or within 60  
20 business days after issuance of the initial order to withhold,  
21 as the case may be. The Department shall have the right to  
22 determine amounts claimed on an estimated basis to allow for  
23 non-filed periods, pending assessments and audits not  
24 completed, however the purchaser or transferee shall be  
25 personally liable only for the actual amount due when  
26 determined.

27 If the seller or transferor fails to pay the tax, penalty  
28 and interest (if any) due from him hereunder and the Department  
29 makes timely claim therefor against the purchaser or transferee  
30 as hereinabove provided, then the purchaser or transferee shall  
31 pay the amount so withheld from the purchase price to the  
32 Department. If the purchaser or transferee fails to comply with  
33 the requirements of this Section, the purchaser or transferee  
34 shall be personally liable to the Department for the amount

1 owed hereunder by the seller or transferor to the Department up  
2 to the amount of the reasonable value of the property acquired  
3 by the purchaser or transferee.

4 Any person who shall acquire any property or rights thereto  
5 which, at the time of such acquisition, is subject to a valid  
6 lien in favor of the Department shall be personally liable to  
7 the Department for a sum equal to the amount of taxes secured  
8 by such lien but not to exceed the reasonable value of such  
9 property acquired by him.

10 (Source: P.A. 86-923; 86-953.)

11 Section 20. The Cigarette Tax Act is amended by changing  
12 Section 21 as follows:

13 (35 ILCS 130/21) (from Ch. 120, par. 453.21)

14 Sec. 21. (a) When any original packages of cigarettes or  
15 any cigarette vending device shall have been declared forfeited  
16 to the State by the Department, as provided in Section 18a of  
17 this Act, and when all proceedings for the judicial review of  
18 the Department's decision have terminated, the Department  
19 shall, to the extent that its decision is sustained on review,  
20 destroy, maintain and use in an undercover capacity, or sell  
21 such property for the best price obtainable and shall forthwith  
22 pay over the proceeds of such sale to the State Treasurer. If  
23 the value of such property to be sold at any one time is \$500 or  
24 more, however, such property shall be sold only to the highest  
25 and best bidder on such terms and conditions and on open  
26 competitive bidding after public advertisement, in such manner  
27 and for such terms as the Department, by rule, may prescribe.

28 (b) If no complaint for review, as provided in Section 8 of  
29 this Act, has been filed within the time required by the  
30 Administrative Review Law, and if no stay order has been  
31 entered thereunder, the Department shall proceed to sell the  
32 property for the best price obtainable and shall forthwith pay

1 over the proceeds of such sale to the State Treasurer. If the  
2 value of such property to be sold at any one time is \$500 or  
3 more, however, such property shall be sold only to the highest  
4 and best bidder on such terms and conditions and on open  
5 competitive bidding after public advertisement, in such manner  
6 and for such terms as the Department, by rule, may prescribe.

7 (c) Upon making a sale of unstamped original packages of  
8 cigarettes as provided in this Section, the Department shall  
9 affix a distinctive stamp to each of the original packages so  
10 sold indicating that the same are sold under this Section.

11 (d) Notwithstanding the foregoing, any cigarettes seized  
12 under this Act or under the Cigarette Use Tax Act may, at the  
13 discretion of the Director of Revenue, be distributed to any  
14 eleemosynary institution within the State of Illinois.

15 (Source: P.A. 82-783.)

16 Section 25. The Cigarette Use Tax Act is amended by  
17 changing Sections 26 and 27 as follows:

18 (35 ILCS 135/26) (from Ch. 120, par. 453.56)

19 Sec. 26. Whenever any peace officer of the State or any  
20 duly authorized officer or employee of the Department shall  
21 have reason to believe that any violation of this Act has  
22 occurred and that the person so violating the Act has in his,  
23 her or its possession any original package of cigarettes, not  
24 tax stamped or tax imprinted underneath the sealed transparent  
25 wrapper of such original packages, as required by this Act, or  
26 any vending device containing such original packages to which  
27 stamps have not been affixed, or on which an authorized  
28 substitute for stamps has not been imprinted underneath the  
29 sealed transparent wrapper of such original packages, as  
30 required by this Act, he may file or cause to be filed his  
31 complaint in writing, verified by affidavit, with any circuit  
32 court within whose jurisdiction the premises to be searched are



1 situated, stating the facts upon which such belief is founded,  
2 the premises to be searched, and the property to be seized, and  
3 procure a search warrant and execute the same. Upon the  
4 execution of such search warrant, the peace officer, or officer  
5 or employee of the Department, executing such search warrant  
6 shall make due return thereof to the court issuing the same,  
7 together with an inventory of the property taken thereunder.  
8 The court shall thereupon issue process against the owner of  
9 such property if he is known; otherwise, such process shall be  
10 issued against the person in whose possession the property so  
11 taken is found, if such person is known. In case of inability  
12 to serve such process upon the owner or the person in  
13 possession of the property at the time of its seizure, as  
14 hereinbefore provided, notice of the proceedings before the  
15 court shall be given as required by the statutes of the State  
16 governing cases of Attachment. Upon the return of the process  
17 duly served or upon the posting or publishing of notice made,  
18 as hereinabove provided, the court or jury, if a jury shall be  
19 demanded, shall proceed to determine whether or not such  
20 property so seized was held or possessed in violation of this  
21 Act, or whether, if a vending device has been so seized, it  
22 contained at the time of its seizure original packages not tax  
23 stamped or tax imprinted underneath the sealed transparent  
24 wrapper of such original packages as required by this Act. In  
25 case of a finding that the original packages seized were not  
26 tax stamped or tax imprinted underneath the sealed transparent  
27 wrapper of such original packages in accordance with the  
28 provisions of this Act, or that any vending device so seized  
29 contained at the time of its seizure original packages not tax  
30 stamped or tax imprinted underneath the sealed transparent  
31 wrapper of such original packages in accordance with the  
32 provisions of this Act, judgment shall be entered confiscating  
33 and forfeiting the property to the State and ordering its  
34 delivery to the Department, and in addition thereto, the court

1 shall have power to tax and assess the costs of the  
2 proceedings.

3 When any original packages or any cigarette vending device  
4 shall have been declared forfeited to the State by any court,  
5 as hereinbefore provided, and when such confiscated and  
6 forfeited property shall have been delivered to the Department,  
7 as provided in this Act, the said Department shall destroy,  
8 maintain and use in an undercover capacity, or sell such  
9 property for the best price obtainable and shall forthwith pay  
10 over the proceeds of such sale to the State Treasurer;  
11 provided, however, that if the value of such property to be  
12 sold at any one time shall be \$500 or more, such property shall  
13 be sold only to the highest and best bidder on such terms and  
14 conditions and on open competitive bidding after public  
15 advertisement, in such manner and for such terms as the  
16 Department, by rule, may prescribe.

17 Upon making such a sale of original packages of cigarettes  
18 which were not tax stamped or tax imprinted underneath the  
19 sealed transparent wrapper of such original packages as  
20 required by this Act, the Department shall affix a distinctive  
21 stamp to each of the original packages so sold indicating that  
22 the same are sold pursuant to the provisions of this Section.

23 (Source: Laws 1965, p. 3710.)

24 (35 ILCS 135/27) (from Ch. 120, par. 453.57)

25 Sec. 27. When any original packages of cigarettes or any  
26 cigarette vending device shall have been declared forfeited to  
27 the State by the Department, as provided in Section 25 of this  
28 Act, and when all proceedings for the judicial review of the  
29 Department's decision have terminated, the Department shall,  
30 to the extent that its decision is sustained on review,  
31 destroy, maintain and use in an undercover capacity, or sell  
32 such property for the best price obtainable and shall forthwith  
33 pay over the proceeds of such sale to the State Treasurer;

1 provided, however, that if the value of such property to be  
2 sold at any one time shall be Five Hundred Dollars (\$500) or  
3 more, such property shall be sold only to the highest and best  
4 bidder on such terms and conditions and on open competitive  
5 bidding after public advertisement, in such manner and for such  
6 terms as the Department, by rule, may prescribe.

7 If no complaint for review, as provided in Section 21 of  
8 this Act, has been filed within the time required by the  
9 "Administrative Review Law," and if no stay order has been  
10 entered thereunder, the Department shall proceed to sell said  
11 property for the best price obtainable and shall forthwith pay  
12 over the proceeds of such sale to the State Treasurer;  
13 provided, however, that if the value of such property to be  
14 sold at any one time shall be \$500 or more, such property shall  
15 be sold only to the highest and best bidder on such terms and  
16 conditions and on open competitive bidding after public  
17 advertisement, in such manner and for such terms as the  
18 Department, by rule, may prescribe.

19 Upon making a sale of unstamped original packages of  
20 cigarettes as provided in this Section, the Department shall  
21 affix a distinctive stamp to each of the original packages so  
22 sold indicating that the same are sold pursuant to the  
23 provisions of this Section.

24 (Source: P.A. 83-1539.)

25 Section 30. The Tobacco Products Tax Act of 1995 is amended  
26 by changing Section 10-58 as follows:

27 (35 ILCS 143/10-58)

28 Sec. 10-58. Sale of forfeited tobacco products or vending  
29 devices.

30 (a) When any tobacco products or any vending devices are  
31 declared forfeited to the State by the Department, as provided  
32 in Section 10-55, and when all proceedings for the judicial

1 review of the Department's decision have terminated, the  
2 Department shall, to the extent that its decision is sustained  
3 on review, sell the property for the best price obtainable and  
4 shall forthwith pay over the proceeds of the sale to the State  
5 Treasurer. If the value of the property to be sold at any one  
6 time is \$500 or more, however, the property shall be sold only  
7 to the highest and best bidder on terms and conditions, and on  
8 open competitive bidding after public advertisement, in a  
9 manner and for terms as the Department, by rule, may prescribe.

10 (b) If no complaint for review, as provided in Section 12  
11 of the Retailers' Occupation Tax Act, has been filed within the  
12 time required by the Administrative Review Law, and if no stay  
13 order has been entered under that Law, the Department shall  
14 proceed to destroy, maintain and use in an undercover capacity,  
15 or sell the property for the best price obtainable and shall  
16 forthwith pay over the proceeds of the sale to the State  
17 Treasurer. If the value of the property to be sold at any one  
18 time is \$500 or more, however, the property shall be sold only  
19 to the highest and best bidder on terms and conditions, and on  
20 open competitive bidding after public advertisement, in a  
21 manner and for terms as the Department, by rule, may prescribe.

22 (c) Upon making a sale of tobacco products as provided in  
23 this Section, the Department shall affix a distinctive stamp to  
24 each of the tobacco products so sold indicating that they are  
25 sold under this Section.

26 (d) Notwithstanding the foregoing, any tobacco products  
27 seized under this Act may, at the discretion of the Director of  
28 Revenue, be distributed to any eleemosynary institution within  
29 the State of Illinois.

30 (Source: P.A. 92-743, eff. 7-25-02.)

31 Section 35. The Local Mass Transit District Act is amended  
32 by changing Section 5.01 as follows:

1 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

2 Sec. 5.01. Metro East Mass Transit District; use and  
3 occupation taxes.

4 (a) The Board of Trustees of any Metro East Mass Transit  
5 District may, by ordinance adopted with the concurrence of  
6 two-thirds of the then trustees, impose throughout the District  
7 any or all of the taxes and fees provided in this Section. All  
8 taxes and fees imposed under this Section shall be used only  
9 for public mass transportation systems, and the amount used to  
10 provide mass transit service to unserved areas of the District  
11 shall be in the same proportion to the total proceeds as the  
12 number of persons residing in the unserved areas is to the  
13 total population of the District. Except as otherwise provided  
14 in this Act, taxes imposed under this Section and civil  
15 penalties imposed incident thereto shall be collected and  
16 enforced by the State Department of Revenue. The Department  
17 shall have the power to administer and enforce the taxes and to  
18 determine all rights for refunds for erroneous payments of the  
19 taxes.

20 (b) The Board may impose a Metro East Mass Transit District  
21 Retailers' Occupation Tax upon all persons engaged in the  
22 business of selling tangible personal property at retail in the  
23 district at a rate of 1/4 of 1%, or as authorized under  
24 subsection (d-5) of this Section, of the gross receipts from  
25 the sales made in the course of such business within the  
26 district. The tax imposed under this Section and all civil  
27 penalties that may be assessed as an incident thereof shall be  
28 collected and enforced by the State Department of Revenue. The  
29 Department shall have full power to administer and enforce this  
30 Section; to collect all taxes and penalties so collected in the  
31 manner hereinafter provided; and to determine all rights to  
32 credit memoranda arising on account of the erroneous payment of  
33 tax or penalty hereunder. In the administration of, and  
34 compliance with, this Section, the Department and persons who

1 are subject to this Section shall have the same rights,  
2 remedies, privileges, immunities, powers and duties, and be  
3 subject to the same conditions, restrictions, limitations,  
4 penalties, exclusions, exemptions and definitions of terms and  
5 employ the same modes of procedure, as are prescribed in  
6 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65  
7 (in respect to all provisions therein other than the State rate  
8 of tax), 2c, 3 (except as to the disposition of taxes and  
9 penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
10 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
11 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
12 Penalty and Interest Act, as fully as if those provisions were  
13 set forth herein.

14 Persons subject to any tax imposed under the Section may  
15 reimburse themselves for their seller's tax liability  
16 hereunder by separately stating the tax as an additional  
17 charge, which charge may be stated in combination, in a single  
18 amount, with State taxes that sellers are required to collect  
19 under the Use Tax Act, in accordance with such bracket  
20 schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be  
22 made under this Section to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the warrant to be drawn for the  
25 amount specified, and to the person named, in the notification  
26 from the Department. The refund shall be paid by the State  
27 Treasurer out of the Metro East Mass Transit District tax fund  
28 established under paragraph (g) of this Section.

29 If a tax is imposed under this subsection (b), a tax shall  
30 also be imposed under subsections (c) and (d) of this Section.

31 For the purpose of determining whether a tax authorized  
32 under this Section is applicable, a retail sale, by a producer  
33 of coal or other mineral mined in Illinois, is a sale at retail  
34 at the place where the coal or other mineral mined in Illinois

1 is extracted from the earth. This paragraph does not apply to  
2 coal or other mineral when it is delivered or shipped by the  
3 seller to the purchaser at a point outside Illinois so that the  
4 sale is exempt under the Federal Constitution as a sale in  
5 interstate or foreign commerce.

6 Nothing in this Section shall be construed to authorize the  
7 Metro East Mass Transit District to impose a tax upon the  
8 privilege of engaging in any business which under the  
9 Constitution of the United States may not be made the subject  
10 of taxation by this State.

11 (c) If a tax has been imposed under subsection (b), a Metro  
12 East Mass Transit District Service Occupation Tax shall also be  
13 imposed upon all persons engaged, in the district, in the  
14 business of making sales of service, who, as an incident to  
15 making those sales of service, transfer tangible personal  
16 property within the District, either in the form of tangible  
17 personal property or in the form of real estate as an incident  
18 to a sale of service. The tax rate shall be 1/4%, or as  
19 authorized under subsection (d-5) of this Section, of the  
20 selling price of tangible personal property so transferred  
21 within the district. The tax imposed under this paragraph and  
22 all civil penalties that may be assessed as an incident thereof  
23 shall be collected and enforced by the State Department of  
24 Revenue. The Department shall have full power to administer and  
25 enforce this paragraph; to collect all taxes and penalties due  
26 hereunder; to dispose of taxes and penalties so collected in  
27 the manner hereinafter provided; and to determine all rights to  
28 credit memoranda arising on account of the erroneous payment of  
29 tax or penalty hereunder. In the administration of, and  
30 compliance with this paragraph, the Department and persons who  
31 are subject to this paragraph shall have the same rights,  
32 remedies, privileges, immunities, powers and duties, and be  
33 subject to the same conditions, restrictions, limitations,  
34 penalties, exclusions, exemptions and definitions of terms and

1 employ the same modes of procedure as are prescribed in  
2 Sections 1a-1, 2 (except that the reference to State in the  
3 definition of supplier maintaining a place of business in this  
4 State shall mean the Authority), 2a, 3 through 3-50 (in respect  
5 to all provisions therein other than the State rate of tax), 4  
6 (except that the reference to the State shall be to the  
7 Authority), 5, 7, 8 (except that the jurisdiction to which the  
8 tax shall be a debt to the extent indicated in that Section 8  
9 shall be the District), 9 (except as to the disposition of  
10 taxes and penalties collected, and except that the returned  
11 merchandise credit for this tax may not be taken against any  
12 State tax), 10, 11, 12 (except the reference therein to Section  
13 2b of the Retailers' Occupation Tax Act), 13 (except that any  
14 reference to the State shall mean the District), the first  
15 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service  
16 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
17 Interest Act, as fully as if those provisions were set forth  
18 herein.

19 Persons subject to any tax imposed under the authority  
20 granted in this paragraph may reimburse themselves for their  
21 serviceman's tax liability hereunder by separately stating the  
22 tax as an additional charge, which charge may be stated in  
23 combination, in a single amount, with State tax that servicemen  
24 are authorized to collect under the Service Use Tax Act, in  
25 accordance with such bracket schedules as the Department may  
26 prescribe.

27 Whenever the Department determines that a refund should be  
28 made under this paragraph to a claimant instead of issuing a  
29 credit memorandum, the Department shall notify the State  
30 Comptroller, who shall cause the warrant to be drawn for the  
31 amount specified, and to the person named, in the notification  
32 from the Department. The refund shall be paid by the State  
33 Treasurer out of the Metro East Mass Transit District tax fund  
34 established under paragraph (g) of this Section.



1           Nothing in this paragraph shall be construed to authorize  
2 the District to impose a tax upon the privilege of engaging in  
3 any business which under the Constitution of the United States  
4 may not be made the subject of taxation by the State.

5           (d) If a tax has been imposed under subsection (b), a Metro  
6 East Mass Transit District Use Tax shall also be imposed upon  
7 the privilege of using, in the district, any item of tangible  
8 personal property that is purchased outside the district at  
9 retail from a retailer, and that is titled or registered with  
10 an agency of this State's government, at a rate of 1/4%, or as  
11 authorized under subsection (d-5) of this Section, of the  
12 selling price of the tangible personal property within the  
13 District, as "selling price" is defined in the Use Tax Act. The  
14 tax shall be collected from persons whose Illinois address for  
15 titling or registration purposes is given as being in the  
16 District. The tax shall be collected by the Department of  
17 Revenue for the Metro East Mass Transit District. The tax must  
18 be paid to the State, or an exemption determination must be  
19 obtained from the Department of Revenue, before the title or  
20 certificate of registration for the property may be issued. The  
21 tax or proof of exemption may be transmitted to the Department  
22 by way of the State agency with which, or the State officer  
23 with whom, the tangible personal property must be titled or  
24 registered if the Department and the State agency or State  
25 officer determine that this procedure will expedite the  
26 processing of applications for title or registration.

27           The Department shall have full power to administer and  
28 enforce this paragraph; to collect all taxes, penalties and  
29 interest due hereunder; to dispose of taxes, penalties and  
30 interest so collected in the manner hereinafter provided; and  
31 to determine all rights to credit memoranda or refunds arising  
32 on account of the erroneous payment of tax, penalty or interest  
33 hereunder. In the administration of, and compliance with, this  
34 paragraph, the Department and persons who are subject to this

1 paragraph shall have the same rights, remedies, privileges,  
2 immunities, powers and duties, and be subject to the same  
3 conditions, restrictions, limitations, penalties, exclusions,  
4 exemptions and definitions of terms and employ the same modes  
5 of procedure, as are prescribed in Sections 2 (except the  
6 definition of "retailer maintaining a place of business in this  
7 State"), 3 through 3-80 (except provisions pertaining to the  
8 State rate of tax, and except provisions concerning collection  
9 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
10 19 (except the portions pertaining to claims by retailers and  
11 except the last paragraph concerning refunds), 20, 21 and 22 of  
12 the Use Tax Act and Section 3-7 of the Uniform Penalty and  
13 Interest Act, that are not inconsistent with this paragraph, as  
14 fully as if those provisions were set forth herein.

15 Whenever the Department determines that a refund should be  
16 made under this paragraph to a claimant instead of issuing a  
17 credit memorandum, the Department shall notify the State  
18 Comptroller, who shall cause the order to be drawn for the  
19 amount specified, and to the person named, in the notification  
20 from the Department. The refund shall be paid by the State  
21 Treasurer out of the Metro East Mass Transit District tax fund  
22 established under paragraph (g) of this Section.

23 (d-5) (A) The county board of any county participating in  
24 the Metro East Mass Transit District may authorize, by  
25 ordinance, a referendum on the question of whether the tax  
26 rates for the Metro East Mass Transit District Retailers'  
27 Occupation Tax, the Metro East Mass Transit District Service  
28 Occupation Tax, and the Metro East Mass Transit District Use  
29 Tax for the District should be increased from 0.25% to 0.75%.  
30 Upon adopting the ordinance, the county board shall certify the  
31 proposition to the proper election officials who shall submit  
32 the proposition to the voters of the District at the next  
33 election, in accordance with the general election law.

34 The proposition shall be in substantially the following

1 form:

2           Shall the tax rates for the Metro East Mass Transit  
3           District Retailers' Occupation Tax, the Metro East Mass  
4           Transit District Service Occupation Tax, and the Metro East  
5           Mass Transit District Use Tax be increased from 0.25% to  
6           0.75%?

7           (B) Two thousand five hundred electors of any Metro East  
8           Mass Transit District may petition the Chief Judge of the  
9           Circuit Court, or any judge of that Circuit designated by the  
10          Chief Judge, in which that District is located to cause to be  
11          submitted to a vote of the electors the question whether the  
12          tax rates for the Metro East Mass Transit District Retailers'  
13          Occupation Tax, the Metro East Mass Transit District Service  
14          Occupation Tax, and the Metro East Mass Transit District Use  
15          Tax for the District should be increased from 0.25% to 0.75%.

16          Upon submission of such petition the court shall set a date  
17          not less than 10 nor more than 30 days thereafter for a hearing  
18          on the sufficiency thereof. Notice of the filing of such  
19          petition and of such date shall be given in writing to the  
20          District and the County Clerk at least 7 days before the date  
21          of such hearing.

22          If such petition is found sufficient, the court shall enter  
23          an order to submit that proposition at the next election, in  
24          accordance with general election law.

25          The form of the petition shall be in substantially the  
26          following form: To the Circuit Court of the County of (name of  
27          county):

28                 We, the undersigned electors of the (name of transit  
29                 district), respectfully petition your honor to submit to a  
30                 vote of the electors of (name of transit district) the  
31                 following proposition:

32                 Shall the tax rates for the Metro East Mass Transit  
33                 District Retailers' Occupation Tax, the Metro East Mass  
34                 Transit District Service Occupation Tax, and the Metro East

1 Mass Transit District Use Tax be increased from 0.25% to  
2 0.75%?

3 Name Address, with Street and Number.  
4

.....

5  
.....

6 (C) The votes shall be recorded as "YES" or "NO". If a  
7 majority of all votes cast on the proposition are for the  
8 increase in the tax rates, the Metro East Mass Transit District  
9 shall begin imposing the increased rates in the District, and  
10 the Department of Revenue shall begin collecting the increased  
11 amounts, as provided under this Section. An ordinance imposing  
12 or discontinuing a tax hereunder or effecting a change in the  
13 rate thereof shall be adopted and a certified copy thereof  
14 filed with the Department on or before the first day of  
15 October, whereupon the Department shall proceed to administer  
16 and enforce this Section as of the first day of January next  
17 following the adoption and filing, or on or before the first  
18 day of April, whereupon the Department shall proceed to  
19 administer and enforce this Section as of the first day of July  
20 next following the adoption and filing.

21 (D) If the voters have approved a referendum under this  
22 subsection, before November 1, 1994, to increase the tax rate  
23 under this subsection, the Metro East Mass Transit District  
24 Board of Trustees may adopt by a majority vote an ordinance at  
25 any time before January 1, 1995 that excludes from the rate  
26 increase tangible personal property that is titled or  
27 registered with an agency of this State's government. The  
28 ordinance excluding titled or registered tangible personal  
29 property from the rate increase must be filed with the  
30 Department at least 15 days before its effective date. At any  
31 time after adopting an ordinance excluding from the rate  
32 increase tangible personal property that is titled or

1 registered with an agency of this State's government, the Metro  
2 East Mass Transit District Board of Trustees may adopt an  
3 ordinance applying the rate increase to that tangible personal  
4 property. The ordinance shall be adopted, and a certified copy  
5 of that ordinance shall be filed with the Department, on or  
6 before October 1, whereupon the Department shall proceed to  
7 administer and enforce the rate increase against tangible  
8 personal property titled or registered with an agency of this  
9 State's government as of the following January 1. After  
10 December 31, 1995, any reimposed rate increase in effect under  
11 this subsection shall no longer apply to tangible personal  
12 property titled or registered with an agency of this State's  
13 government. Beginning January 1, 1996, the Board of Trustees of  
14 any Metro East Mass Transit District may never reimpose a  
15 previously excluded tax rate increase on tangible personal  
16 property titled or registered with an agency of this State's  
17 government. After July 1, 2004, if the voters have approved a  
18 referendum under this subsection to increase the tax rate under  
19 this subsection, the Metro East Mass Transit District Board of  
20 Trustees may adopt by a majority vote an ordinance that  
21 excludes from the rate increase tangible personal property that  
22 is titled or registered with an agency of this State's  
23 government. The ordinance excluding titled or registered  
24 tangible personal property from the rate increase shall be  
25 adopted, and a certified copy of that ordinance shall be filed  
26 with the Department on or before October 1, whereupon the  
27 Department shall administer and enforce this exclusion from the  
28 rate increase as of the following January 1, or on or before  
29 April 1, whereupon the Department shall administer and enforce  
30 this exclusion from the rate increase as of the following July  
31 1. The Board of Trustees of any Metro East Mass Transit  
32 District may never reimpose a previously excluded tax rate  
33 increase on tangible personal property titled or registered  
34 with an agency of this State's government.

1 (d-6) If the Board of Trustees of any Metro East Mass  
2 Transit District has imposed a rate increase under subsection  
3 (d-5) and filed an ordinance with the Department of Revenue  
4 excluding titled property from the higher rate, then that Board  
5 may, by ordinance adopted with the concurrence of two-thirds of  
6 the then trustees, impose throughout the District a fee. The  
7 fee on the excluded property shall not exceed \$20 per retail  
8 transaction or an amount equal to the amount of tax excluded,  
9 whichever is less, on tangible personal property that is titled  
10 or registered with an agency of this State's government.  
11 Beginning July 1, 2004, the fee shall apply only to titled  
12 property that is subject to either the Metro East Mass Transit  
13 District Retailers' Occupation Tax or the Metro East Mass  
14 Transit District Service Occupation Tax.

15 (d-7) Until June 30, 2004, if a fee has been imposed under  
16 subsection (d-6), a fee shall also be imposed upon the  
17 privilege of using, in the district, any item of tangible  
18 personal property that is titled or registered with any agency  
19 of this State's government, in an amount equal to the amount of  
20 the fee imposed under subsection (d-6).

21 (d-7.1) Beginning July 1, 2004, any fee imposed by the  
22 Board of Trustees of any Metro East Mass Transit District under  
23 subsection (d-6) and all civil penalties that may be assessed  
24 as an incident of the fees shall be collected and enforced by  
25 the State Department of Revenue. Reference to "taxes" in this  
26 Section shall be construed to apply to the administration,  
27 payment, and remittance of all fees under this Section. For  
28 purposes of any fee imposed under subsection (d-6), 4% of the  
29 fee, penalty, and interest received by the Department in the  
30 first 12 months that the fee is collected and enforced by the  
31 Department and 2% of the fee, penalty, and interest following  
32 the first 12 months shall be deposited into the Tax Compliance  
33 and Administration Fund and shall be used by the Department,  
34 subject to appropriation, to cover the costs of the Department.

1 No retailers' discount shall apply to any fee imposed under  
2 subsection (d-6).

3 (d-8) No item of titled property shall be subject to both  
4 the higher rate approved by referendum, as authorized under  
5 subsection (d-5), and any fee imposed under subsection (d-6) or  
6 (d-7).

7 (d-9) (Blank). ~~If fees have been imposed under subsections~~  
8 ~~(d-6) and (d-7), the Board shall forward a copy of the~~  
9 ~~ordinance adopting such fees, which shall include all zip codes~~  
10 ~~in whole or in part within the boundaries of the district, to~~  
11 ~~the Secretary of State within thirty days. By the 25th of each~~  
12 ~~month, the Secretary of State shall subsequently provide the~~  
13 ~~Illinois Department of Revenue with a list of identifiable~~  
14 ~~retail transactions subject to the .25% rate occurring within~~  
15 ~~the zip codes which are in whole or in part within the~~  
16 ~~boundaries of the district and a list of title applications for~~  
17 ~~addresses within the boundaries of the district for the~~  
18 ~~previous month.~~

19 (d-10) (Blank). ~~In the event that a retailer fails to pay~~  
20 ~~applicable fees within 30 days of the date of the transaction,~~  
21 ~~a penalty shall be assessed at the rate of 25% of the amount of~~  
22 ~~fees. Interest on both late fees and penalties shall be~~  
23 ~~assessed at the rate of 1% per month. All fees, penalties, and~~  
24 ~~attorney fees shall constitute a lien on the personal and real~~  
25 ~~property of the retailer.~~

26 (e) A certificate of registration issued by the State  
27 Department of Revenue to a retailer under the Retailers'  
28 Occupation Tax Act or under the Service Occupation Tax Act  
29 shall permit the registrant to engage in a business that is  
30 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
31 this Section and no additional registration shall be required  
32 under the tax. A certificate issued under the Use Tax Act or  
33 the Service Use Tax Act shall be applicable with regard to any  
34 tax imposed under paragraph (c) of this Section.

1           (f) (Blank). ~~The Board may impose a replacement vehicle tax~~  
2 ~~of \$50 on any passenger car, as defined in Section 1-157 of the~~  
3 ~~Illinois Vehicle Code, purchased within the district area by or~~  
4 ~~on behalf of an insurance company to replace a passenger car of~~  
5 ~~an insured person in settlement of a total loss claim. The tax~~  
6 ~~imposed may not become effective before the first day of the~~  
7 ~~month following the passage of the ordinance imposing the tax~~  
8 ~~and receipt of a certified copy of the ordinance by the~~  
9 ~~Department of Revenue. The Department of Revenue shall collect~~  
10 ~~the tax for the district in accordance with Sections 3-2002 and~~  
11 ~~3-2003 of the Illinois Vehicle Code.~~

12           ~~The Department shall immediately pay over to the State~~  
13 ~~Treasurer, ex officio, as trustee, all taxes collected~~  
14 ~~hereunder. On or before the 25th day of each calendar month,~~  
15 ~~the Department shall prepare and certify to the Comptroller the~~  
16 ~~disbursement of stated sums of money to named districts, the~~  
17 ~~districts to be those from which retailers have paid taxes or~~  
18 ~~penalties hereunder to the Department during the second~~  
19 ~~preceding calendar month. The amount to be paid to each~~  
20 ~~district shall be the amount collected hereunder during the~~  
21 ~~second preceding calendar month by the Department, less any~~  
22 ~~amount determined by the Department to be necessary for the~~  
23 ~~payment of refunds. Within 10 days after receipt by the~~  
24 ~~Comptroller of the disbursement certification to the~~  
25 ~~districts, provided for in this Section to be given to the~~  
26 ~~Comptroller by the Department, the Comptroller shall cause the~~  
27 ~~orders to be drawn for the respective amounts in accordance~~  
28 ~~with the directions contained in the certification.~~

29           (g) Any ordinance imposing or discontinuing any tax under  
30 this Section shall be adopted and a certified copy thereof  
31 filed with the Department on or before June 1, whereupon the  
32 Department of Revenue shall proceed to administer and enforce  
33 this Section on behalf of the Metro East Mass Transit District  
34 as of September 1 next following such adoption and filing.



1 Beginning January 1, 1992, an ordinance or resolution imposing  
2 or discontinuing the tax hereunder shall be adopted and a  
3 certified copy thereof filed with the Department on or before  
4 the first day of July, whereupon the Department shall proceed  
5 to administer and enforce this Section as of the first day of  
6 October next following such adoption and filing. Beginning  
7 January 1, 1993, except as provided in subsection (d-5) of this  
8 Section, an ordinance or resolution imposing or discontinuing  
9 the tax hereunder shall be adopted and a certified copy thereof  
10 filed with the Department on or before the first day of  
11 October, whereupon the Department shall proceed to administer  
12 and enforce this Section as of the first day of January next  
13 following such adoption and filing, or, beginning January 1,  
14 2004, on or before the first day of April, whereupon the  
15 Department shall proceed to administer and enforce this Section  
16 as of the first day of July next following the adoption and  
17 filing.

18 (h) Except as provided in subsection (d-7.1), the State  
19 Department of Revenue shall, upon collecting any taxes as  
20 provided in this Section, pay the taxes over to the State  
21 Treasurer as trustee for the District. The taxes shall be held  
22 in a trust fund outside the State Treasury. On or before the  
23 25th day of each calendar month, the State Department of  
24 Revenue shall prepare and certify to the Comptroller of the  
25 State of Illinois the amount to be paid to the District, which  
26 shall be the then balance in the fund, less any amount  
27 determined by the Department to be necessary for the payment of  
28 refunds. Within 10 days after receipt by the Comptroller of the  
29 certification of the amount to be paid to the District, the  
30 Comptroller shall cause an order to be drawn for payment for  
31 the amount in accordance with the direction in the  
32 certification.

33 (Source: P.A. 93-590; eff. 1-1-04.)

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.".