



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2710

Introduced 02/22/05, by Rep. Gary Hannig

SYNOPSIS AS INTRODUCED:

20 ILCS 1605/3	from Ch. 120, par. 1153
20 ILCS 1605/4	from Ch. 120, par. 1154
20 ILCS 1605/5	from Ch. 120, par. 1155
20 ILCS 1605/7.1	from Ch. 120, par. 1157.1
20 ILCS 1605/7.2	from Ch. 120, par. 1157.2
20 ILCS 1605/7.6	from Ch. 120, par. 1157.6
20 ILCS 1605/7.11	from Ch. 120, par. 1157.11
20 ILCS 1605/9	from Ch. 120, par. 1159
20 ILCS 1605/10	from Ch. 120, par. 1160
20 ILCS 1605/10.1	from Ch. 120, par. 1160.1
20 ILCS 1605/10.1a	from Ch. 120, par. 1160.1a
20 ILCS 1605/10.2	from Ch. 120, par. 1160.2
20 ILCS 1605/10.6	from Ch. 120, par. 1160.6
20 ILCS 1605/10.7	
20 ILCS 1605/12	from Ch. 120, par. 1162
20 ILCS 1605/13	from Ch. 120, par. 1163
20 ILCS 1605/14	from Ch. 120, par. 1164
20 ILCS 1605/14.3	
20 ILCS 1605/15	from Ch. 120, par. 1165
20 ILCS 1605/19	from Ch. 120, par. 1169
20 ILCS 1605/21	from Ch. 120, par. 1171
20 ILCS 1605/24	from Ch. 120, par. 1174
20 ILCS 1605/5.1 rep.	
20 ILCS 1605/21.2 rep.	from Ch. 120, par. 1171.2

Amends the Illinois Lottery Law. Makes various changes to conform with the transfer of all powers, duties, rights, and responsibilities vested in the Department of the Lottery to the Department of Revenue in accordance with Executive Order No. 9 (2003). Effective immediately.

LRB094 03832 MKM 33843 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning the lottery.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Lottery Law is amended by changing
5 Sections 3, 4, 5, 6, 7.1, 7.2, 7.3, 7.6, 7.11, 9, 10, 10.1,
6 10.1a, 10.2, 10.6, 10.7, 11, 12, 13, 14, 14.3, 15, 19, 21, and
7 24 as 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.

25 g. "Division" means the Division of the State Lottery of
26 the Department of Revenue.

27 h. "Superintendent" means the Superintendent of the
28 Division of the State Lottery of the Department of Revenue.

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

30 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

31 Sec. 4. The Department of the Lottery is established to

1 implement and regulate the State Lottery in the manner provided
2 in this Act.

3 In accordance with Executive Order No. 9 (2003), the
4 Division of the State Lottery is established within the
5 Department of Revenue. Unless otherwise provided by law, the
6 Division of the State Lottery shall be subject to and governed
7 by all of the laws and rules applicable to the Department.

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

9 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

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

20 Any vacancy occurring in the office of the Superintendent
21 ~~Director~~ shall be filled in the same manner as the original
22 appointment.

23 The Superintendent ~~Director~~ shall devote his or her entire
24 time and attention to the duties of the ~~his~~ office and shall
25 not be engaged in any other profession or occupation. The
26 Superintendent ~~He~~ shall receive such salary as shall be
27 provided by law.

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

29 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

30 Sec. 7.1. The Department shall promulgate such rules and
31 regulations governing the establishment and operation of a
32 State lottery as it deems necessary to carry out the purposes
33 of this Act. Such rules and regulations shall be subject to the
34 provisions of The Illinois Administrative Procedure Act. The

1 Division shall issue written game rules, play instructions,
2 directives, operations manuals, brochures, or any other
3 publications necessary to conduct specific games, as
4 authorized by rule by the Department. Any written game rules,
5 play instructions, directives, operations manuals, brochures,
6 or other game publications issued by the Division ~~Department~~
7 that relate to a specific lottery game shall be maintained as a
8 public record in the Division's ~~Department's~~ principal office,
9 and made available for public inspection and copying but shall
10 be exempt from the rulemaking procedures of the Illinois
11 Administrative Procedure Act. However, when such written
12 materials contain any policy of general applicability, the
13 Division ~~Department~~ shall formulate and adopt such policy as a
14 rule in accordance with the provisions of the Illinois
15 Administrative Procedure Act. In addition, the Division
16 ~~Department~~ shall publish each January in the Illinois Register
17 a list of all game-specific rules, play instructions,
18 directives, operations manuals, brochures, or other
19 game-specific publications issued by the Division ~~Department~~
20 during the previous year and instructions concerning how the
21 public may obtain copies of these materials from the Division
22 ~~Department~~.

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

24 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

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

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

28 (2) The price, or prices, of tickets or shares in the
29 lottery;

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

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

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

35 (6) The frequency of the drawing or selections of winning

1 tickets or shares, without limitation;

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

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

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

9 (10) The apportionment of the total revenues accruing from
10 the sale of lottery tickets or shares and from all other
11 sources among (i) the payment of prizes to the holders of
12 winning tickets or shares, (ii) the payment of costs incurred
13 in the operation and administration of the lottery, including
14 the expenses of the Department and the costs resulting from any
15 contract or contracts entered into for promotional,
16 advertising or operational services or for the purchase or
17 lease of lottery equipment and materials, and (iii) for monthly
18 transfers to the Common School Fund. The net revenues accruing
19 from the sale of lottery tickets shall be determined by
20 deducting from total revenues the payments required by
21 paragraphs (i) and (ii) of this subsection.

22 (11) Such other matters necessary or desirable for the
23 efficient and economical operation and administration of the
24 lottery and for the convenience of the purchasers of tickets or
25 shares and the holders of winning tickets or shares.

26 ~~Any rules and regulations of the Department with respect to~~
27 ~~monthly transfers to the Common School Fund are subject to~~
28 ~~Section 21.2.~~

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

30 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

31 Sec. 7.6. The Board shall advise and make recommendations
32 to the Superintendent or the Director regarding the functions
33 and operations of the State Lottery. A copy of all such
34 recommendations shall also be forwarded to the Governor, the
35 Attorney General, the Speaker of the House, the President of

1 the Senate and the minority leaders of both houses.

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

3 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

4 Sec. 7.11. The Division ~~Department~~ may establish and
5 collect nominal charges for promotional products ("premiums")
6 and other promotional materials produced or acquired by the
7 Division ~~Department~~ as part of its advertising and promotion
8 activities. Such premiums or other promotional materials may be
9 sold to individuals, government agencies and not-for-profit
10 organizations, but not to for-profit enterprises for the
11 purpose of resale. Other State agencies shall be charged no
12 more than the cost to the Division ~~Department~~ of the premium or
13 promotional material. All proceeds from the sale of premiums or
14 promotional materials shall be deposited in the State Lottery
15 Fund in the State Treasury.

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

17 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

18 Sec. 9. The Superintendent ~~Director~~, as administrative
19 head of the Division ~~Department of the Lottery~~, shall direct
20 and supervise all its administrative and technical activities
21 and shall report to the Director. In addition to the duties
22 imposed upon him elsewhere in this Act, it shall be the
23 Superintendent's ~~his~~ duty:

24 a. To supervise and administer the operation of the lottery
25 in accordance with the provisions of this Act or such rules and
26 regulations of the Department adopted thereunder.

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

29 c. To employ and direct such personnel in accord with the
30 Personnel Code, as may be necessary to carry out the purposes
31 of this Act. The Superintendent may, subject to the approval of
32 the Director, use the services, personnel, or facilities of the
33 Department. In addition, the Superintendent ~~Director~~ may by
34 agreement secure such services as he or she may deem necessary

1 from any other department, agency, or unit of the State
2 government, and may employ and compensate such consultants and
3 technical assistants as may be required and is otherwise
4 permitted by law.

5 d. To license, in accordance with the provisions of
6 Sections 10 and 10.1 of this Act and the rules and regulations
7 of the Department adopted thereunder, as agents to sell lottery
8 tickets such persons as in his opinion will best serve the
9 public convenience and promote the sale of tickets or shares.
10 The Superintendent ~~Director~~ may require a bond from every
11 licensed agent, in such amount as provided in the rules and
12 regulations of the Department. Every licensed agent shall
13 prominently display his license, or a copy thereof, as provided
14 in the rules and regulations of the Department.

15 e. To suspend or revoke any license issued pursuant to this
16 Act or the rules and regulations promulgated by the Department
17 thereunder.

18 f. To confer regularly as necessary or desirable and not
19 less than once every month with the Lottery Control Board on
20 the operation and administration of the Lottery; to make
21 available for inspection by the Board or any member of the
22 Board, upon request, all books, records, files, and other
23 information and documents of his office; to advise the Board
24 and recommend such rules and regulations and such other matters
25 as he deems necessary and advisable to improve the operation
26 and administration of the lottery.

27 g. To enter into contracts for the operation of the
28 lottery, or any part thereof, and into contracts for the
29 promotion of the lottery on behalf of the Department with any
30 person, firm or corporation, to perform any of the functions
31 provided for in this Act or the rules and regulations
32 promulgated thereunder. The Department shall not expend State
33 funds on a contractual basis for such functions unless those
34 functions and expenditures are expressly authorized by the
35 General Assembly.

36 h. To enter into an agreement or agreements with the

1 management of state lotteries operated pursuant to the laws of
2 other states for the purpose of creating and operating a
3 multi-state lottery game wherein a separate and distinct prize
4 pool would be combined to award larger prizes to the public
5 than could be offered by the several state lotteries,
6 individually. No tickets or shares offered in connection with a
7 multi-state lottery game shall be sold within the State of
8 Illinois, except those offered by and through the Department.
9 No such agreement shall purport to pledge the full faith and
10 credit of the State of Illinois, nor shall the Department
11 expend State funds on a contractual basis in connection with
12 any such game unless such expenditures are expressly authorized
13 by the General Assembly, provided, however, that in the event
14 of error or omission by the Illinois State Lottery in the
15 conduct of the game, as determined by the multi-state game
16 directors, the Department shall be authorized to pay a prize
17 winner or winners the lesser of a disputed prize or \$1,000,000,
18 any such payment to be made solely from funds appropriated for
19 game prize purposes. The Department shall be authorized to
20 share in the ordinary operating expenses of any such
21 multi-state lottery game, from funds appropriated by the
22 General Assembly, and in the event the multi-state game control
23 offices are physically located within the State of Illinois,
24 the Department is authorized to advance start-up operating
25 costs not to exceed \$150,000, subject to proportionate
26 reimbursement of such costs by the other participating state
27 lotteries. The Department shall be authorized to share
28 proportionately in the costs of establishing a liability
29 reserve fund from funds appropriated by the General Assembly.
30 The Department is authorized to transfer prize award funds
31 attributable to Illinois sales of multi-state lottery game
32 tickets to the multi-state control office, or its designated
33 depository, for deposit to such game pool account or accounts
34 as may be established by the multi-state game directors, the
35 records of which account or accounts shall be available at all
36 times for inspection in an audit by the Auditor General of

1 Illinois and any other auditors pursuant to the laws of the
2 State of Illinois. No multi-state game prize awarded to a
3 nonresident of Illinois, with respect to a ticket or share
4 purchased in a state other than the State of Illinois, shall be
5 deemed to be a prize awarded under this Act for the purpose of
6 taxation under the Illinois Income Tax Act. All of the net
7 revenues accruing from the sale of multi-state lottery tickets
8 or shares shall be transferred into the Common School Fund
9 pursuant to Section 7.2. The Department shall promulgate such
10 rules as may be appropriate to implement the provisions of this
11 Section.

12 i. To make a continuous study and investigation of (1) the
13 operation and the administration of similar laws which may be
14 in effect in other states or countries, (2) any literature on
15 the subject which from time to time may be published or
16 available, (3) any Federal laws which may affect the operation
17 of the lottery, and (4) the reaction of Illinois citizens to
18 existing and potential features of the lottery with a view to
19 recommending or effecting changes that will tend to serve the
20 purposes of this Act.

21 j. To report monthly to the State Treasurer and the Lottery
22 Control Board a full and complete statement of lottery
23 revenues, prize disbursements and other expenses for each month
24 and the amounts to be transferred to the Common School Fund
25 pursuant to Section 7.2 or such other funds as are otherwise
26 authorized by Section 21.2 of this Act, and to make an annual
27 report, which shall include a full and complete statement of
28 lottery revenues, prize disbursements and other expenses, to
29 the Governor and the Board. All reports required by this
30 subsection shall be public and copies of all such reports shall
31 be sent to the Speaker of the House, the President of the
32 Senate, and the minority leaders of both houses.

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

34 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

35 Sec. 10. The Division ~~Department~~, upon application

1 therefor on forms prescribed by the Division ~~Department~~, and
2 upon a determination by the Division ~~Department~~ that the
3 applicant meets all of the qualifications specified in this
4 Act, shall issue a license as an agent to sell lottery tickets
5 or shares. No license as an agent to sell lottery tickets or
6 shares shall be issued to any person to engage in business
7 exclusively as a lottery sales agent.

8 Before issuing such license the Superintendent ~~Director~~
9 shall consider (a) the financial responsibility and security of
10 the person and his business or activity, (b) the accessibility
11 of his place of business or activity to the public, (c) the
12 sufficiency of existing licenses to serve the public
13 convenience, (d) the volume of expected sales, and (e) such
14 other factors as he or she may deem appropriate.

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

35 All licenses issued by the Division ~~Department~~ under this
36 Act shall be valid for a period not to exceed 2 years after

1 issuance unless sooner revoked, canceled or suspended as in
2 this Act provided. No license issued under this Act shall be
3 transferable or assignable. Such license shall be
4 conspicuously displayed in the place of business conducted by
5 the licensee in Illinois where lottery tickets or shares are to
6 be sold under such license.

7 For purposes of this Section, the term "person" shall be
8 construed to mean and include an individual, association,
9 partnership, corporation, club, trust, estate, society,
10 company, joint stock company, receiver, trustee, referee, any
11 other person acting in a fiduciary or representative capacity
12 who is appointed by a court, or any combination of individuals.
13 "Person" includes any department, commission, agency or
14 instrumentality of the State, including any county, city,
15 village, or township and any agency or instrumentality thereof.
16 (Source: P.A. 86-1475; 87-895.)

17 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

18 Sec. 10.1. The following are ineligible for any license
19 under this Act:

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

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

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

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

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

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

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

35 (h) any organization in which a person defined in (a), (b),

1 (c), (d), or (e) is to participate in the management or sales
2 of lottery tickets or shares.

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

6 1) at least 10 years have elapsed since the date when the
7 sentence for the most recent such conviction was satisfactorily
8 completed;

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

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

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

18 The Division ~~Department~~ may revoke, without notice or a
19 hearing, the license of any agent who violates this Act or any
20 rule or regulation promulgated pursuant to this Act. However,
21 if the Division ~~Department~~ does revoke a license without notice
22 and an opportunity for a hearing, the Division ~~Department~~
23 shall, by appropriate notice, afford the person whose license
24 has been revoked an opportunity for a hearing within 30 days
25 after the revocation order has been issued. As a result of any
26 such hearing, the Division ~~Department~~ may confirm its action in
27 revoking the license, or it may order the restoration of such
28 license.

29 (Source: P.A. 82-404.)

30 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

31 Sec. 10.1a. In addition to other grounds specified in this
32 Act, the Division ~~Department~~ shall refuse to issue and shall
33 suspend the license of any lottery sales agency who fails to
34 file a return, or to pay the tax, penalty or interest shown in
35 a filed return, or to pay any final assessment of tax, penalty

1 or interest, as required by any tax Act administered by the
2 ~~Illinois~~ Department ~~of Revenue~~, until such time as the
3 requirements of any such tax Act are satisfied, unless the
4 agency is contesting, in accordance with the procedures
5 established by the appropriate revenue Act, its liability for
6 the tax or the amount of tax. The Division ~~Department~~ shall
7 affirmatively verify the tax status of every sales agency
8 before issuing or renewing a license. For purposes of this
9 Section, a sales agency shall not be considered delinquent in
10 the payment of a tax if the agency (a) has entered into an
11 agreement with the Department ~~of Revenue~~ for the payment of all
12 such taxes that are due and (b) is in compliance with the
13 agreement.

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

15 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

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

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

29 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

30 Sec. 10.6. The Division ~~Department~~ shall make an effort to
31 more directly inform players of the odds of winning prizes.
32 This effort shall include, at a minimum, that the Division
33 ~~Department~~ require all ticket agents to display a placard
34 stating the odds of winning for each game offered by that

1 agent.

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

3 (20 ILCS 1605/10.7)

4 Sec. 10.7. Compulsive gambling.

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

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

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

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

27 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

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

33 (i) information privileged against introduction in
34 judicial proceedings;

- 1 (ii) internal communications of the several agencies;
- 2 (iii) information concerning secret manufacturing
3 processes or confidential data submitted by any person under
4 this Act;
- 5 (iv) any creative proposals, scripts, storyboards or other
6 materials prepared by or for the Division ~~Department~~, prior to
7 the placement of the materials in the media, if the prior
8 release of the materials would compromise the effectiveness of
9 an advertising campaign~~;~~.
- 10 (v) results of marketing research that, if disclosed, could
11 give a competitive advantage to forms of gambling other than
12 the State Lottery.

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

14 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

15 Sec. 13. Except as otherwise provided in Section 13.1, no
16 prize, nor any portion of a prize, nor any right of any person
17 to a prize awarded shall be assignable. Any prize, or portion
18 thereof remaining unpaid at the death of a prize winner, may be
19 paid to the estate of such deceased prize winner, or to the
20 trustee under a revocable living trust established by the
21 deceased prize winner as settlor, provided that a copy of such
22 a trust has been filed with the Department along with a
23 notarized letter of direction from the settlor and no written
24 notice of revocation has been received by the Division
25 ~~Department~~ prior to the settlor's death. Following such a
26 settlor's death and prior to any payment to such a successor
27 trustee, the Superintendent ~~Director~~ shall obtain from the
28 trustee ~~and each trust beneficiary~~ a written agreement to
29 indemnify and hold the Department and the Division harmless
30 with respect to any claims that may be asserted against the
31 Department or the Division arising from payment to or through
32 the trust. Notwithstanding any other provision of this Section,
33 any person pursuant to an appropriate judicial order may be
34 paid the prize to which a winner is entitled, and all or part
35 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.)

32 (20 ILCS 1605/15) (from Ch. 120, par. 1165)

33 Sec. 15. No minor under 18 years of age shall buy a lottery

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

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

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

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

21 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

22 Sec. 19. The Division ~~Department~~ shall establish an
23 appropriate period for the claiming of prizes for each lottery
24 game offered. Each claim period shall be stated in game rules
25 and written play instructions issued by the Superintendent
26 ~~Director~~ in accordance with Section 7.1 of this Act. Written
27 play instructions shall be made available to all players
28 through sales agents licensed to sell game tickets or shares.
29 Prizes for lottery games which involve the purchase of a
30 physical lottery ticket may be claimed only by presentation of
31 a valid winning lottery ticket that matches validation records
32 on file with the Lottery; no claim may be honored which is
33 based on the assertion that the ticket was lost or stolen. No
34 lottery ticket which has been altered, mutilated, or fails to
35 pass validation tests shall be deemed to be a winning ticket.

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

17 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

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

31 No bank or savings and loan association shall receive
32 public funds as permitted by this Section, unless it has
33 complied with the requirements established pursuant to Section
34 6 of the Public Funds Investment Act.

35 Each payment or deposit shall be accompanied by a report of

1 the agent's receipts and transactions in the sale of lottery
2 tickets in such form and containing such information as the
3 Superintendent ~~Director~~ may require. Any discrepancies in such
4 receipts and transactions may be resolved as provided by the
5 rules and regulations of the Department.

6 If any money due the Lottery by a sales agent or
7 distributor is not paid when due or demanded, it shall
8 immediately become delinquent and be billed on a subsequent
9 monthly statement. If on the closing date for any monthly
10 statement a delinquent amount previously billed of more than
11 \$50 remains unpaid, interest in such amount shall be accrued at
12 the rate of 2% per month or fraction thereof from the date when
13 such delinquent amount becomes past due until such delinquent
14 amount, including interest, penalty and other costs and charges
15 that the Department may incur in collecting such amounts, is
16 paid. In case any agent or distributor fails to pay any moneys
17 due the Lottery within 30 days after a second bill or statement
18 is rendered to the agent or distributor, such amount shall be
19 deemed seriously delinquent and may be referred by the
20 Department to a collection agency or credit bureau for
21 collection. Any contract entered into by the Department for the
22 collection of seriously delinquent accounts with a collection
23 agency or credit bureau may be satisfied by a commercially
24 reasonable percentage of the delinquent account recouped,
25 which shall be negotiated by the Department in accordance with
26 commercially accepted standards. Any costs incurred by the
27 Department or others authorized to act in its behalf in
28 collecting such delinquencies may be assessed against the agent
29 or distributor and included as a part of the delinquent
30 account.

31 In case of failure of an agent or distributor to pay a
32 seriously delinquent amount, or any portion thereof, including
33 interest, penalty and costs, the Division ~~Department~~ may issue
34 a Notice of Assessment. In determining amounts shown on the
35 Notice of Assessment, the Division ~~Department~~ shall utilize the
36 financial information available from its records. Such Notice

1 of Assessment shall be prima facie correct and shall be prima
2 facie evidence of delinquent sums due under this Section at any
3 hearing before the Board, or its Hearing Officers, or at any
4 other legal proceeding. Reproduced copies of the Division's
5 ~~Department's~~ records relating to a delinquent account or a
6 Notice of Assessment offered in the name of the Department,
7 under the Certificate of the Director or any officer or
8 employee of the Department designated in writing by the
9 Director shall, without further proof, be admitted into
10 evidence in any such hearing or any legal proceeding and shall
11 be prima facie proof of the delinquency, including principal
12 and any interest, penalties and costs, as shown thereon. The
13 Attorney General may bring suit on behalf of the Department to
14 collect all such delinquent amounts, or any portion thereof,
15 including interest, penalty and costs, due the Lottery.

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

26 The Director may make such arrangements for any person(s),
27 banks, savings and loan associations or distributors, to
28 perform such functions, activities or services in connection
29 with the operation of the lottery as he deems advisable
30 pursuant to this Act, the State Comptroller Act, or the rules
31 and regulations of the Department, and such functions,
32 activities or services shall constitute lawful functions,
33 activities and services of such person(s), banks, savings and
34 loan associations or distributors.

35 All income arising out of any activity or purpose of the
36 Division ~~Department~~ shall, pursuant to the State Finance Act,

1 be paid into the State Treasury except as otherwise provided by
2 the rules and regulations of the Department and shall be
3 covered into a special fund to be known as the State Lottery
4 Fund. Banks and savings and loan associations may be
5 compensated for services rendered based upon the activity and
6 amount of funds on deposit.

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

8 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

9 Sec. 24. The State Comptroller shall conduct a preaudit of
10 all accounts and transactions of the Department in connection
11 with the operation of the State Lottery under the State
12 Comptroller Act, excluding payments issued by the Department
13 for prizes of \$25,000 or less.

14 The Auditor General or a certified public accountant firm
15 appointed by him shall conduct an annual post-audit of all
16 accounts and transactions of the Department in connection with
17 the operation of the State Lottery and other special post
18 audits as the Auditor General, the Legislative Audit
19 Commission, or the General Assembly deems necessary. The annual
20 post-audits shall include payments made by lottery sales agents
21 of prizes of less than \$600 authorized under Section 20, and
22 payments made by the Department of prizes up to \$25,000
23 authorized under Section 20.1. The Auditor General or his agent
24 conducting an audit under this Act shall have access and
25 authority to examine any and all records of the Department or
26 the Board, its distributing agents and its licensees.

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

28 (20 ILCS 1605/5.1 rep.)

29 (20 ILCS 1605/21.2 rep.) (from Ch. 120, par. 1171.2)

30 Section 10. The Illinois Lottery Law is amended by
31 repealing Sections 5.1 and 21.2.

32 Section 99. Effective date. This Act takes effect upon
33 becoming law.