

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 adding
5 Sections 7.12, 7.13, 7.14, 7.15, and 7.16 as follows:

6 (20 ILCS 1605/7.12 new)

7 Sec. 7.12. Internet pilot program. The Department shall
8 create a pilot program that allows the purchase of lottery
9 tickets or shares on the Internet and that licenses agents to
10 sell lottery tickets or shares over the Internet. The
11 Department shall adopt rules necessary for the administration
12 of this program. The provisions of this Act and the rules
13 adopted under this Act shall apply to the sale of lottery
14 tickets or shares and to the licensure of Internet agents under
15 this program.

16 (20 ILCS 1605/7.13 new)

17 Sec. 7.13. Licensing of Internet agents; fees. The
18 Department shall issue a license as an agent to sell lottery
19 tickets or shares through the Internet if the applicant meets
20 all of the qualifications specified in this Act and the rules
21 adopted under this Act, except those related to the
22 accessibility of his or her place of business or activity to
23 the public and the ancillary nature of his or her business as a
24 lottery sales agent, provided that the applicant owns and
25 demonstrates that he or she can operate a secure and effective
26 Internet-based system for selling lottery tickets or shares.
27 Each application for a new Internet agent license must be
28 accompanied by a one-time application fee as established by
29 rule and not to exceed \$25,000, and each application for
30 renewal of an Internet agent license must be accompanied by a
31 renewal fee as established by rule and not to exceed \$12,500.

1 In addition to the application fee, the Department may retain
2 outside experts to evaluate the security and effectiveness of
3 each applicant's Internet-based system and may charge
4 applicants a uniform fee to recover the costs of those
5 evaluations. Each Internet agent licensee granted on-line
6 status pursuant to the Department's rules must pay a fee of
7 \$500 per month as partial reimbursement for telecommunications
8 charges incurred by the Department in providing access to the
9 Department's Internet lottery system.

10 (20 ILCS 1605/7.14 new)

11 Sec. 7.14. Posting of Internet agent license numbers and
12 notices. Each agent licensed to sell lottery tickets or shares
13 through the Internet shall prominently display his or her
14 license number on his or her Internet site or sites, as well as
15 on any portal to his or her Internet site or sites, and shall
16 appropriately display any notices or statements that are
17 required by this Act or the rules adopted under this Act to
18 appear on the back of lottery tickets or to be posted or made
19 available at a licensed non-Internet agent's place of business.

20 (20 ILCS 1605/7.15 new)

21 Sec. 7.15. Verification of age for Internet program;
22 security for on-line lottery accounts. The Department shall, by
23 rule, establish a procedure to verify that a person is 18 years
24 of age or older before he or she may establish an on-line
25 lottery account and purchase lottery tickets or shares through
26 the Internet program. By rule, the Department shall establish
27 funding procedures for on-line lottery accounts and shall
28 provide a mechanism for each on-line lottery account to have a
29 personal identification number to prevent the unauthorized use
30 of on-line lottery accounts.

31 (20 ILCS 1605/7.16 new)

32 Sec. 7.16. Residency restrictions; limits on monthly
33 Internet purchases; Internet program games. The Department

1 may, by rule, limit the persons authorized to purchase lottery
2 tickets on-line to Illinois residents and may, by rule, set a
3 limitation on the monthly purchases that may be made through
4 any individual lottery account. All Lotto and Mega Million
5 games offered by the Illinois Lottery shall be offered to
6 on-line players, but the Department is authorized to determine
7 which additional lottery games may be offered through the
8 Internet program.

9 Section 10. The Criminal Code of 1961 is amended by
10 changing Section 28-1 as follows:

11 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

12 Sec. 28-1. Gambling.

13 (a) A person commits gambling when he:

14 (1) Plays a game of chance or skill for money or other
15 thing of value, unless excepted in subsection (b) of this
16 Section; or

17 (2) Makes a wager upon the result of any game, contest,
18 or any political nomination, appointment or election; or

19 (3) Operates, keeps, owns, uses, purchases, exhibits,
20 rents, sells, bargains for the sale or lease of,
21 manufactures or distributes any gambling device; or

22 (4) Contracts to have or give himself or another the
23 option to buy or sell, or contracts to buy or sell, at a
24 future time, any grain or other commodity whatsoever, or
25 any stock or security of any company, where it is at the
26 time of making such contract intended by both parties
27 thereto that the contract to buy or sell, or the option,
28 whenever exercised, or the contract resulting therefrom,
29 shall be settled, not by the receipt or delivery of such
30 property, but by the payment only of differences in prices
31 thereof; however, the issuance, purchase, sale, exercise,
32 endorsement or guarantee, by or through a person registered
33 with the Secretary of State pursuant to Section 8 of the
34 Illinois Securities Law of 1953, or by or through a person

1 exempt from such registration under said Section 8, of a
2 put, call, or other option to buy or sell securities which
3 have been registered with the Secretary of State or which
4 are exempt from such registration under Section 3 of the
5 Illinois Securities Law of 1953 is not gambling within the
6 meaning of this paragraph (4); or

7 (5) Knowingly owns or possesses any book, instrument or
8 apparatus by means of which bets or wagers have been, or
9 are, recorded or registered, or knowingly possesses any
10 money which he has received in the course of a bet or
11 wager; or

12 (6) Sells pools upon the result of any game or contest
13 of skill or chance, political nomination, appointment or
14 election; or

15 (7) Sets up or promotes any lottery or sells, offers to
16 sell or transfers any ticket or share for any lottery; or

17 (8) Sets up or promotes any policy game or sells,
18 offers to sell or knowingly possesses or transfers any
19 policy ticket, slip, record, document or other similar
20 device; or

21 (9) Knowingly drafts, prints or publishes any lottery
22 ticket or share, or any policy ticket, slip, record,
23 document or similar device, except for such activity
24 related to lotteries, bingo games and raffles authorized by
25 and conducted in accordance with the laws of Illinois or
26 any other state or foreign government; or

27 (10) Knowingly advertises any lottery or policy game,
28 except for such activity related to lotteries, bingo games
29 and raffles authorized by and conducted in accordance with
30 the laws of Illinois or any other state; or

31 (11) Knowingly transmits information as to wagers,
32 betting odds, or changes in betting odds by telephone,
33 telegraph, radio, semaphore or similar means; or knowingly
34 installs or maintains equipment for the transmission or
35 receipt of such information; except that nothing in this
36 subdivision (11) prohibits transmission or receipt of such

1 information for use in news reporting of sporting events or
2 contests; or

3 (12) Knowingly establishes, maintains, or operates an
4 Internet site that permits a person to play a game of
5 chance or skill for money or other thing of value by means
6 of the Internet or to make a wager upon the result of any
7 game, contest, political nomination, appointment, or
8 election by means of the Internet.

9 (b) Participants in any of the following activities shall
10 not be convicted of gambling therefor:

11 (1) Agreements to compensate for loss caused by the
12 happening of chance including without limitation contracts
13 of indemnity or guaranty and life or health or accident
14 insurance.†

15 (2) Offers of prizes, award or compensation to the
16 actual contestants in any bona fide contest for the
17 determination of skill, speed, strength or endurance or to
18 the owners of animals or vehicles entered in such contest.†

19 (3) Pari-mutuel betting as authorized by the law of
20 this State.†

21 (4) Manufacture of gambling devices, including the
22 acquisition of essential parts therefor and the assembly
23 thereof, for transportation in interstate or foreign
24 commerce to any place outside this State when such
25 transportation is not prohibited by any applicable Federal
26 law.†

27 (5) The game commonly known as "bingo", when conducted
28 in accordance with the Bingo License and Tax Act.†

29 (6) Lotteries when conducted by the State of Illinois
30 in accordance with the Illinois Lottery Law. This exemption
31 includes any activity conducted by the Department of
32 Revenue to sell lottery tickets pursuant to the provisions
33 of the Illinois Lottery Law and its rules.†

34 (6.1) The purchase of lottery tickets through the
35 Internet for a lottery conducted by the State of Illinois
36 under the program established in Section 7.12 of the

1 Illinois Lottery Law.

2 (7) Possession of an antique slot machine that is
3 neither used nor intended to be used in the operation or
4 promotion of any unlawful gambling activity or enterprise.
5 For the purpose of this subparagraph (b)(7), an antique
6 slot machine is one manufactured 25 years ago or earlier.†

7 (8) Raffles when conducted in accordance with the
8 Raffles Act.†

9 (9) Charitable games when conducted in accordance with
10 the Charitable Games Act.†

11 (10) Pull tabs and jar games when conducted under the
12 Illinois Pull Tabs and Jar Games Act.†~~†~~

13 (11) Gambling games conducted on riverboats when
14 authorized by the Riverboat Gambling Act.

15 (c) Sentence.

16 Gambling under subsection (a)(1) or (a)(2) of this Section
17 is a Class A misdemeanor. Gambling under any of subsections
18 (a)(3) through (a)(11) of this Section is a Class A
19 misdemeanor. A second or subsequent conviction under any of
20 subsections (a)(3) through (a)(11), is a Class 4 felony.
21 Gambling under subsection (a)(12) of this Section is a Class A
22 misdemeanor. A second or subsequent conviction under
23 subsection (a)(12) is a Class 4 felony.

24 (d) Circumstantial evidence.

25 In prosecutions under subsection (a)(1) through (a)(12) of
26 this Section circumstantial evidence shall have the same
27 validity and weight as in any criminal prosecution.

28 (Source: P.A. 91-257, eff. 1-1-00.)

29 Section 99. Effective date. This Act takes effect upon
30 becoming law.