



Sen. Jeffrey M. Schoenberg

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09500HB1496sam002

LRB095 08420 HLH 51788 a

1 AMENDMENT TO HOUSE BILL 1496

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1496 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Lottery Law is amended by changing  
5 Sections 2, 3, 4, 5, 6, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.8,  
6 7.8a, 7.11, 8, 8.1, 9, 10, 10.1, 10.1a, 10.2, 10.3, 10.4, 10.5,  
7 10.6, 10.7, 11, 12, 13, 14, 14.2, 14.3, 15, 16, 17, 19, 20, 21,  
8 21.2, 21.3, 21.5, 24, 25, 26, 27, and 28 and by adding Sections  
9 2.1, 2.2, 2.3, 6.1, 6.2, 20.2, and 21.9 as follows:

10 (20 ILCS 1605/2) (from Ch. 120, par. 1152)

11 Sec. 2. This Act is enacted to implement and establish  
12 within the State a lottery to be conducted ~~operated~~ by the  
13 State, through the Department, whether that lottery is operated  
14 and managed by the State or by a third party pursuant to a  
15 Management and Concession Agreement. The operations of a  
16 lottery are unique activities for State government, and private

1 management will best enable the lottery to be operated in an  
2 entrepreneurial and business-like manner, thereby maximizing  
3 value for and benefit to the citizens of the State. Any such  
4 private manager shall be accountable to the State through a  
5 comprehensive system of State regulation and enduring  
6 operational oversight. The State's ongoing conduct of the  
7 Lottery throughout the term of a Concession shall act to  
8 promote and ensure the integrity, security, honesty, and  
9 fairness of the Lottery's operation and administration. ~~the~~  
10 ~~entire net proceeds of which are to be used for the support of~~  
11 ~~the State's Common School Fund, except as provided in Sections~~  
12 ~~21.2, 21.5, 21.6, and 21.7, and 21.7.~~

13 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;  
14 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.  
15 10-11-07; revised 12-5-07.)

16 (20 ILCS 1605/2.1 new)

17 Sec. 2.1. Sale of Lottery prohibited. Notwithstanding any  
18 provision of this Act or other applicable law to the contrary,  
19 the State may, pursuant to a competitive process that complies  
20 with the Illinois Procurement Code and rules adopted under that  
21 Code, enter into a Management and Concession Agreement with a  
22 third party pursuant to which that party may be authorized to  
23 manage or operate the Lottery on behalf of the State, and  
24 further pursuant to which that party may receive certain  
25 Lottery revenues in consideration of the payment of a fee or

1 fees to the State for that right, provided that the Concession  
2 is managed and operated in accordance with the provisions of  
3 this Act and that the State at all times retains control of the  
4 Lottery and exercises supervisory authority over the  
5 Concession sufficient to implement the terms of the Management  
6 and Concession Agreement and to effect the purposes of this  
7 Act. The Lottery shall remain, for so long as a Concessionaire  
8 manages and operates the Concession in accordance with  
9 provisions of this Act, a Lottery conducted by the State, and  
10 the State shall not be authorized to sell or transfer the  
11 Lottery to a third party.

12 The terms of a Management and Concession Agreement shall  
13 include, without limitation, all of the following:

14 (a) The term of the Concession shall be no less than 50  
15 years and shall not exceed 60 years, with extensions of up  
16 to 5 additional years.

17 (b) The consideration paid to the State for a  
18 Concessionaire's right to manage and operate the  
19 Concession shall have a value not less than  
20 \$10,000,000,000.

21 (c) At least 19% of the value of all contracts and  
22 agreements entered into by the Concessionaire for goods and  
23 services in connection with its management and operation of  
24 the Lottery, other than contracts or agreements with sales  
25 agents or technical operators, must be awarded to  
26 businesses that are a "minority owned business", a "female

1       owned business", or a business owned by a person with a  
2       disability as those terms are defined in the Business  
3       Enterprise for Minorities, Females, and Persons with  
4       Disabilities Act. For purposes of this item (c), all  
5       contracts entered into by a technical operator shall be  
6       deemed to be contracts entered by the Concessionaire. A  
7       contract by which the Concessionaire retains a technical  
8       operator shall be exempt from the requirements of this item  
9       (c). For purposes of this item (c), a technical operator  
10       means an entity that, pursuant to the terms of this  
11       amendatory Act of the 95th General Assembly and the  
12       Concession Agreement, is substantially involved in the  
13       day-to-day operations of the Lottery in a manner that  
14       includes (i) the design and production of lottery games or  
15       lottery game equipment, or (ii) the provision and  
16       maintenance of lottery equipment, or (iii) the operation  
17       and monitoring of lottery games or other regulated gaming  
18       activities, or (iv) the development and maintenance of a  
19       distribution network, or (v) the verification of game  
20       outcomes, or an entity responsible for other significant  
21       regulated gaming activities.

22       (d) The State shall at all times during which a  
23       Management and Concession Agreement is in effect retain the  
24       right to receive an amount equal to 20% of Lottery gross  
25       revenues, after prize payouts.

26       (e) The minimum payout ratios with respect to instant

1       Lottery games and online Lottery games, as defined in the  
2       Management and Concession Agreement, shall be in the  
3       aggregate at least 55% of all ticket revenues attributable  
4       to such instant Lottery games and online Lottery games.

5           (f) In any zip code where the poverty rate, as  
6       determined by using the most recent data released by the  
7       United States Census Bureau, is at least 3% higher than the  
8       State poverty rate as determined using the most recent data  
9       released by the United States Census Bureau, the  
10       Concessionaire shall not increase the number of licensed  
11       Lottery ticket vendors by greater than 10% from the number  
12       of vendors then licensed in the zip code.

13       The Director is authorized to enter into a Management and  
14       Concession Agreement on behalf of the State on the foregoing  
15       terms and such other terms as the Director shall determine,  
16       consistent with this amendatory Act of the 95th General  
17       Assembly. All of the acts of officials authorized by the State  
18       that are in conformity with the intent and purposes of this  
19       amendatory Act of the 95th General Assembly, whether heretofore  
20       or hereafter taken or done, shall be and are ratified,  
21       confirmed, authorized, and approved hereby in all respects. To  
22       the extent any provision of the Illinois Procurement Code (30  
23       ILCS 500/) or any other law is in conflict with this amendatory  
24       Act of the 95th General Assembly insofar as it relates to any  
25       Transaction Documents, the provisions of this amendatory Act  
26       shall be controlling.

1       The Director, and such State officers as may be designated  
2 by the Director, are authorized to execute and deliver on  
3 behalf of the State any and all documents as the executing  
4 State officer shall deem appropriate in connection with the  
5 State entering into or performing its obligations under the  
6 Transaction Documents and to do all such other acts and things  
7 as may be necessary, advisable, or appropriate to carry out,  
8 and perform the State's obligations under the Transaction  
9 Documents.

10       The Department of Revenue is authorized and empowered to  
11 enter into a public/private partnership agreement with any  
12 lessor of the State Lottery (the "Concessionaire"), whereby the  
13 Department of Revenue employees may provide services for a fee  
14 to the Concessionaire to assist the Concessionaire in the  
15 administration and operation of the State Lottery. The  
16 Concessionaire shall contract with the Department of Revenue  
17 under a public/private partnership agreement for all work that,  
18 if performed by employees of the State, would be performed by  
19 employees, as defined by the Illinois Public Labor Relations  
20 Act (IPLRA). The Department of Revenue shall be the employer of  
21 all non-managerial, non-supervisory, and non-confidential  
22 employees, as defined by the IPLRA, assigned to perform such  
23 work for the Concessionaire pursuant to the public/private  
24 partnership agreement, and such employees shall be State  
25 employees, as defined by the Personnel Code. As employees of  
26 the Department of Revenue, such employees shall have the same

1 employment rights and duties, and be subject to the same  
2 employment policies, rules, regulations, and procedures, as  
3 other employees of the Department of Revenue. Neither  
4 historical representation rights under the IPLRA nor existing  
5 collective bargaining agreements shall be disturbed by the sale  
6 or lease of the State Lottery. Upon expiration of the  
7 applicable collective bargaining agreement on or after June 30,  
8 2012, the Concessionaire shall retain the employees performing  
9 such work on the expiration date and shall recognize the  
10 bargaining agent or agents and honor any existing agreement in  
11 conformity with applicable law. During the pendency of a  
12 collective bargaining agreement expiring on or after June 30,  
13 2012, any employee assigned by the State to perform work for  
14 the Concessionaire shall, upon written request to the Director  
15 of Central Management Services, be offered employment, without  
16 loss of pay or benefits with the State of Illinois, in the same  
17 county in which the employee was assigned to perform such work.

18 (20 ILCS 1605/2.2 new)

19 Sec. 2.2. Proceeds of concession transaction and future  
20 proceeds payable to the State under a Management and Concession  
21 Agreement; payment of transaction costs; deposit of proceeds  
22 into Funds. After the payment of all transaction-related costs,  
23 in one or a series of transactions: (i) proceeds of the  
24 Concession transaction or transactions authorized pursuant to  
25 this amendatory Act of the 95th General Assembly shall be

1 deposited into the Illinois Works Fund in an amount not to  
2 exceed \$7,000,000,000, (ii) all proceeds of the Concession  
3 transaction or transactions authorized pursuant to this  
4 amendatory Act of the 95th General Assembly in excess of  
5 \$7,000,000,000 but not greater than \$11,000,000,000 shall be  
6 deposited into the Illinois Education Trust Fund, and (iii) all  
7 proceeds of the Concession transaction or transactions  
8 authorized pursuant to this amendatory Act of the 95th General  
9 Assembly in excess of \$11,000,000,000 shall be deposited into  
10 the Pension Stabilization Fund.

11 (20 ILCS 1605/2.3 new)

12 Sec. 2.3. Creation of the Illinois Education Trust Fund;  
13 State Treasurer's investment of moneys. There is created in the  
14 State Treasury the Illinois Education Trust Fund.  
15 Notwithstanding any other statute to the contrary, the State  
16 Treasurer is hereby authorized to and shall invest all moneys  
17 deposited into the Illinois Education Trust Fund pursuant to  
18 this amendatory Act of the 95th General Assembly, and the  
19 Treasurer shall make all reasonable efforts to accrue a return  
20 on investment of at least 5% per annum, using debt instruments  
21 or securities that are either (i) issued by a counterparty with  
22 a credit rating of Aa3 or higher by Moody's Investor Services  
23 or AA- or higher by Standard & Poor's or (ii) enhanced and bear  
24 a credit rating of Aa3 or higher by Moody's Investor Services  
25 or AA- or higher by Standard & Poor's. Any changes in the



1 purposes or use of this Fund, or changes in the revenues  
2 directed to this Fund, must be approved by a three-fifths vote  
3 of the members of both the Senate and the House of  
4 Representatives.

5 Notwithstanding any other State law to the contrary, on or  
6 before the last day of each fiscal year the State Comptroller  
7 shall direct and the State Treasurer shall transfer from the  
8 Illinois Education Trust Fund to the State Lottery Fund the  
9 amount necessary to provide for the transfer of \$600,000,000 in  
10 that fiscal year from the State Lottery Fund to the Common  
11 School Fund in accordance with the provisions of Section 20.2  
12 of this Act.

13 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

14 Sec. 3. Definitions. For the purposes of this Act:

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

17 b. "Board" means the Lottery Control Board created by this  
18 Act.

19 c. "Department" means the Department of Revenue.

20 d. "Director" means the Director of Revenue.

21 e. "Chairman" means the Chairman of the Lottery Control  
22 Board.

23 f. "Multi-state game directors" means such persons,  
24 including the Superintendent, as may be designated by an  
25 agreement between the Division and one or more additional

1 lotteries operated under the laws of another state or states.

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

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

6 i. "Concession" means the right of a Concessionaire to  
7 manage or operate the Lottery pursuant to the terms of a  
8 Management and Concession Agreement and this Act.

9 j. "Management and Concession Agreement" means that  
10 agreement and all schedules, exhibits, and attachments  
11 thereto, entered into pursuant to a competitive process and  
12 pursuant to which the State may grant a license or other  
13 contractual right to manage or operate the Lottery to a  
14 Concessionaire, and further pursuant to which a Concessionaire  
15 may receive certain Lottery ticket or share sales and related  
16 proceeds in consideration of the payment of a fee or fees to  
17 the State.

18 k. "Concessionaire" means a third party that manages or  
19 operates the Lottery pursuant to a Management and Concession  
20 Agreement then in effect.

21 l. "Conducted by the State" means the management and  
22 operation of the Lottery pursuant to the terms of this Act,  
23 whether directly by the State or by a Concessionaire pursuant  
24 to the terms of a Management and Concession Agreement as  
25 provided for in this amendatory Act of the 95th General  
26 Assembly. The Concessionaire shall at all times remain

1 accountable to the State and the people of the State through a  
2 comprehensive system of State regulation and enduring  
3 operational oversight, which shall include, without  
4 limitation, the Concessionaire's regular provision and the  
5 State's ongoing review and analysis of audits, reports, and  
6 financial disclosures as required by this amendatory Act of the  
7 95th General Assembly.

8 m. "Transaction Documents" means all documents drafted,  
9 prepared, or composed in connection with the Management and  
10 Concession Agreement, including but not limited to all  
11 documents reflecting or relating to any solicitation or  
12 presolicitation activities the State may have undertaken  
13 regarding a possible Concession.

14 (Source: P.A. 94-776, eff. 5-19-06.)

15 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

16 Sec. 4. Department established. The Department of the  
17 Lottery is established to implement and regulate the State  
18 Lottery in the manner provided in this Act.

19 In accordance with Executive Order No. 9 (2003), the  
20 Division of the State Lottery is established within the  
21 Department of Revenue. Unless otherwise provided by law, the  
22 Division of the State Lottery shall be subject to and governed  
23 by all of the laws and rules applicable to the Department.

24 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

2 Sec. 5. Superintendent. The Division shall be under the  
3 supervision and direction of a Superintendent, who shall be a  
4 person qualified by training and experience to perform the  
5 duties required by this Act. The Superintendent shall be  
6 appointed by the Governor, by and with the advice and consent  
7 of the Senate. The term of office of the Superintendent shall  
8 expire on the third Monday of January in odd numbered years  
9 provided that he or she shall hold office until a successor is  
10 appointed and qualified.

11 Any vacancy occurring in the office of the Superintendent  
12 shall be filled in the same manner as the original appointment.

13 The Superintendent shall devote his or her entire time and  
14 attention to the duties of the office and shall not be engaged  
15 in any other profession or occupation. The Superintendent shall  
16 receive such salary as shall be provided by law.

17 (Source: P.A. 94-776, eff. 5-19-06.)

18 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

19 Sec. 6. Lottery Control Board; creation; appointment;  
20 chairman; terms; vacancies; removal; compensation; meetings;  
21 quorum. There is hereby created an independent board to be  
22 known as the Lottery Control Board, consisting of 5 members,  
23 all of whom shall be citizens of the United States and  
24 residents of this State and shall be appointed by the Governor  
25 with the advice and consent of the Senate. No more than 3 of

1 the 5 members shall be members of the same political party. A  
2 chairman of the Board shall be chosen annually from the  
3 membership of the Board by a majority of the members of the  
4 Board at the first meeting of the Board each fiscal year.

5 Initial members shall be appointed to the Board by the  
6 Governor as follows: one member to serve until July 1, 1974,  
7 and until his successor is appointed and qualified; 2 members  
8 to serve until July 1, 1975, and until their successors are  
9 appointed and qualified; 2 members to serve until July 1, 1976,  
10 and until their successors are appointed and qualified. As  
11 terms of members so appointed expire, their successors shall be  
12 appointed for terms to expire the first day in July 3 years  
13 thereafter, and until their successors are appointed and  
14 qualified.

15 Any vacancy in the Board occurring for any reason other  
16 than expiration of term, shall be filled for the unexpired term  
17 in the same manner as the original appointment.

18 Any member of the Board may be removed by the Governor for  
19 neglect of duty, misfeasance, malfeasance, or nonfeasance in  
20 office.

21 Board members shall receive as compensation for their  
22 services \$100 for each day they are in attendance at any  
23 official board meeting, but in no event shall members receive  
24 more than \$1,200 per year. They shall receive no other  
25 compensation for their services, but shall be reimbursed for  
26 necessary traveling and other reasonable expenses incurred in

1 the performance of their official duties. Each member shall  
2 make a full financial disclosure upon appointment.

3 The Board shall hold at least one meeting each quarter of  
4 the fiscal year. In addition, special meetings may be called by  
5 the Chairman, any 2 Board members, or the Director of the  
6 Department, upon delivery of 72 hours' written notice to the  
7 office of each member. All Board meetings shall be open to the  
8 public pursuant to the Open Meetings Act.

9 Three members of the Board shall constitute a quorum, and 3  
10 votes shall be required for any final determination by the  
11 Board. The Board shall keep a complete and accurate record of  
12 all its meetings.

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

14 (20 ILCS 1605/6.1 new)

15 Sec. 6.1. Lottery Control Board's Authorization to  
16 Implement the Act and Oversee Concession. The term of each  
17 appointed member of the Board who is in office on May 31, 2008  
18 shall terminate at the close of business on that date or when  
19 all of the new members to be initially appointed under this  
20 amendatory Act of the 95th General Assembly have been appointed  
21 by the Governor, whichever occurs later.

22 Beginning on June 1, 2008 or when all of the new members of  
23 the Board to be initially appointed under this amendatory Act  
24 of the 95th General Assembly have been appointed by the  
25 Governor, whichever occurs later, the Board shall consist of 7

1 members, all of whom shall be citizens of the United States and  
2 residents of this State and shall be appointed by the Governor  
3 with the advice and consent of the Senate. No more than 4 of  
4 the 7 members shall be members of the same political party. A  
5 chairman of the Board shall be chosen annually from the  
6 membership of the Board by a majority of the members of the  
7 Board at the first meeting of the Board each fiscal year.

8 Members shall be appointed to the Board by the Governor as  
9 follows: 2 members to serve until July 1, 2009, and until their  
10 successors are appointed and qualified; 2 members to serve  
11 until July 1, 2010, and until their successors are appointed  
12 and qualified; 3 members to serve until July 1, 2011, and until  
13 their successors are appointed and qualified. As terms of  
14 members so appointed expire, their successors shall be  
15 appointed for terms to expire the first day in July 3 years  
16 thereafter, and until their successors are appointed and  
17 qualified. Members of the Board serving prior to the effective  
18 date of this amendatory Act of the 95th General Assembly shall  
19 be discharged of their duties and replaced by members appointed  
20 pursuant to this Section in the sequence in which those prior  
21 servicing members were appointed.

22 Any vacancy in the Board occurring for any reason other  
23 than expiration of term shall be filled for the unexpired term  
24 in the same manner as the original appointment.

25 Any member of the Board may be removed by the Governor for  
26 neglect of duty, misfeasance, malfeasance, or nonfeasance in

1 office.

2 Board members shall receive as compensation for their  
3 services \$250 for each day they are in attendance at any  
4 official board meeting, but in no event shall members receive  
5 more than \$3,000 per year. They shall receive no other  
6 compensation for their services, but shall be reimbursed for  
7 necessary traveling and other reasonable expenses incurred in  
8 the performance of their official duties. All such compensation  
9 and reimbursement shall be paid from proceeds of the  
10 Concession.

11 The Board shall hold at least one meeting each quarter of  
12 the fiscal year. In addition, special meetings may be called by  
13 the chairman, any 4 Board members, or the Director of the  
14 Department, upon delivery of 72 hours' written notice to each  
15 member. All Board meetings shall be open to the public pursuant  
16 to the Open Meetings Act.

17 Four members of the Board shall constitute a quorum, and 4  
18 votes shall be required for any final determination by the  
19 Board. The Board shall keep a complete and accurate record of  
20 all its meetings.

21 The Board shall have general responsibility for the  
22 implementation of this Act and the oversight and implementation  
23 of any Management and Concession Agreement. The Board shall  
24 have jurisdiction and oversight over all Lottery and Concession  
25 operations governed by this Act and shall have all powers  
26 necessary and proper to fully and effectively execute the



1 provisions of this Act. Its duties include, without limitation,  
2 the following:

3 (1) to conduct all hearings pertaining to rules and  
4 regulations promulgated under this Act;

5 (2) to promulgate such rules and regulations as in its  
6 judgment may be necessary to protect or enhance the  
7 credibility and integrity of the Lottery and enforce the  
8 provisions of the Management and Concession Agreement  
9 authorized by this Act and the regulatory process under  
10 this Act;

11 (3) to be present through its inspectors and agents any  
12 time Lottery operations are conducted pursuant to this Act  
13 or the Management and Concession Agreement for the purpose  
14 of determining compliance therewith, receiving complaints  
15 from the public, and conducting such other investigations  
16 into the conduct of Lottery games and operations and the  
17 maintenance of all Lottery equipment as from time to time  
18 the Board may deem necessary and proper;

19 (4) to implement and administer the Concession and  
20 Management Agreement, including, without limitation, the  
21 supervision and administration of the operation of the  
22 Lottery in accordance with this Act, the rules and  
23 regulations of the Board adopted hereunder, and the terms  
24 of the Management and Concession Agreement;

25 (5) to investigate parties providing Concession and  
26 Lottery-related services;

1           (6) to review all contracts entered into by the  
2           Concessionaire of the Management and Concession Agreement  
3           for the purpose of implementing and executing the  
4           Management and Concession Agreement; and to review and  
5           approve all contracts entered into by the Concessionaire,  
6           directly or indirectly, for the purpose of implementing and  
7           executing the Management and Concession Agreement, with an  
8           aggregate amount of \$100,000 or more or for a term to  
9           exceed 365 days;

10           (7) to have jurisdiction and supervision over all  
11           Lottery and Concession operations;

12           (8) to promulgate rules and regulations for the purpose  
13           of administering the provisions of this Act and the  
14           Management and Concession Agreement and to prescribe  
15           rules, regulations, and conditions under which the Lottery  
16           shall be conducted; those rules and regulations are to  
17           provide for the prevention of practices detrimental to the  
18           public interest and for the best interests of citizens of  
19           the State, including rules and regulations regarding  
20           inspection;

21           (9) to enter the office, facilities, or other places of  
22           business of a Concessionaire, where evidence of the  
23           compliance or noncompliance with the provisions of this Act  
24           or the Management and Concession Agreement is likely to be  
25           found;

26           (10) to investigate alleged violations of this Act or

1       the rules of the Board and to take appropriate disciplinary  
2       action against a Concessionaire and its contractors and  
3       licensees for a violation, or institute appropriate legal  
4       action for enforcement, or both;

5           (11) to ensure that any Concessionaire maintains  
6       appropriate standards for Lottery ticket vendors;

7           (12) to require that records, including financial or  
8       other statements of any Concessionaire, manager, or  
9       operator under this Act, shall be kept in such manner as  
10       prescribed by the Board and that any such Concessionaire,  
11       manager, or operator regularly submit to the Board a  
12       balance sheet and profit and loss statement, list of the  
13       stockholders or other persons having a beneficial interest  
14       in such amounts as may be determined by the Board, and any  
15       other information the Board deems necessary in order to  
16       effectively administer this Act and all rules,  
17       regulations, orders, and final decisions promulgated under  
18       this Act;

19           (13) to conduct hearings, issue subpoenas for the  
20       attendance of witnesses and subpoenas duces tecum for the  
21       production of books, records, and other pertinent  
22       documents in accordance with the Illinois Administrative  
23       Procedure Act, and to administer oaths and affirmations to  
24       the witnesses, when, in the judgment of the Board, it is  
25       necessary to administer or enforce this Act or the Board  
26       rules;

1           (14) to hire employees to gather information, conduct  
2           investigations, and carry out any other tasks contemplated  
3           under this Act;

4           (15) to delegate the execution of any of its powers  
5           under this Act for the purpose of administering and  
6           enforcing this Act and its rules and regulations; and

7           (16) to take any other action as may be reasonable or  
8           appropriate to enforce this Act and its rules and  
9           regulations.

10          The Board may seek and shall receive the cooperation of the  
11          Department of State Police in conducting background  
12          investigations of parties and in fulfilling its  
13          responsibilities under this Section. Costs incurred by the  
14          Department of State Police as a result of that cooperation  
15          shall be paid by the Board in conformance with the requirements  
16          of Section 2605-400 of the Department of State Police Law.

17          In the event that the State shall enter into a Management  
18          and Concession Agreement, the Board may instruct the  
19          Superintendent, on behalf of the Concessionaire, to enter into  
20          an agreement or agreements with the management of state  
21          lotteries operated pursuant to the laws of other states for the  
22          purpose of creating and operating a multi-state lottery game  
23          wherein a separate and distinct prize pool would be combined to  
24          award larger prizes to the public than could be offered by the  
25          several state lotteries individually. In the event that the  
26          State shall enter into a Management and Concession Agreement,

1 no tickets or shares offered in connection with a multi-state  
2 lottery game shall be sold within the State, except those  
3 offered by the Concessionaire pursuant to the terms of the  
4 Management and Concession Agreement and this amendatory Act of  
5 the 95th General Assembly. No such agreement shall purport to  
6 pledge the full faith and credit of the State of Illinois. No  
7 multi-state game prize awarded to a nonresident of Illinois,  
8 with respect to a ticket or share purchased in a state other  
9 than the State of Illinois, shall be deemed to be a prize  
10 awarded under this Act for the purpose of taxation under the  
11 Illinois Income Tax Act.

12 (20 ILCS 1605/6.2 new)

13 Sec. 6.2. Ethics provisions.

14 (a) Conflict of interest. Board members and employees may  
15 not engage in communications or any activity that may cause or  
16 have the appearance of causing a conflict of interest. A  
17 conflict of interest exists if a situation influences or  
18 creates the appearance that it may influence judgment or  
19 performance of regulatory duties and responsibilities. This  
20 prohibition shall extend to any act identified by Board action  
21 that, in the judgment of the Board, could represent the  
22 potential for or the appearance of a conflict of interest.

23 (b) No State constitutional officer or member of the  
24 General Assembly nor an entity from which the State  
25 constitutional officer or member of the General Assembly

1 receives compensation may own a direct interest in the  
2 Concessionaire or have a financial interest or relationship  
3 with any entity that owns or is an affiliate of the  
4 Concessionaire during the current term or for a period of 5  
5 years after the State constitutional officer or member of the  
6 General Assembly leaves office. The holding or acquisition of  
7 an interest in such entities through indirect means, such as  
8 through a mutual fund, shall not be prohibited. For purposes of  
9 this subsection (b), "State constitutional officer or member of  
10 the General Assembly" includes the spouse or minor child of the  
11 State constitutional officer or member of the General Assembly.  
12 A violation of this subsection (b) is a Class 4 felony.

13 (c) Financial interest. Board members and employees may not  
14 have a financial interest, directly or indirectly, in his or  
15 her own name or in the name of any other person, partnership,  
16 association, trust, corporation, or other entity, in any  
17 contract or subcontract for the performance of any work for the  
18 Board or for the Concessionaire. This prohibition shall extend  
19 to the holding or acquisition of an interest in any entity  
20 identified by Board action that, in the judgment of the Board,  
21 could represent the potential for or the appearance of a  
22 financial interest. The holding or acquisition of an interest  
23 in such entities through an indirect means, such as through a  
24 mutual fund, shall not be prohibited.

25 (d) Outside employment. A Board member or an employee may  
26 not, within a period of 5 years immediately after termination

1 of employment, knowingly accept employment or receive  
2 compensation or fees for services from a person or entity, or  
3 its parent or affiliate, that has engaged in business with the  
4 Board that resulted in contracts with an aggregate value of at  
5 least \$25,000 or if that Board member, employee, or the  
6 Director has made a decision that directly applied to the  
7 person or entity, or its parent or affiliate. Board members and  
8 employees shall not hold or pursue any employment, office,  
9 position, business, or occupation that conflicts with his or  
10 her official duties.

11 (e) Gift ban. Board members and employees may not accept  
12 any gift, gratuity, service, compensation, travel, lodging, or  
13 thing of value, with the exception of unsolicited items of an  
14 incidental nature, from any person, corporation or entity doing  
15 business with the Board.

16 (f) Abuse of Position. A Board member or employee shall not  
17 use or attempt to use his or her official position to secure,  
18 or attempt to secure, any privilege, advantage, favor, or  
19 influence for himself or herself or others. No Board member or  
20 employee may attempt, in any way, to influence any person or  
21 corporation doing business with the Board or any officer,  
22 agent, or employee thereof to hire or contract with any person  
23 or corporation for any compensated work.

24 (g) Political Activity. Board members and employees shall  
25 not engage in any political activity. For the purposes of this  
26 subsection, "political activity" means any activity in support

1 of or in connection with any campaign for State or local  
2 elective office or any political organization, but does not  
3 include activities (i) relating to the support or opposition of  
4 any executive, legislative, or administrative action (as those  
5 terms are defined in Section 2 of the Lobbyist Registration  
6 Act), (ii) relating to collective bargaining, or (iii) that are  
7 otherwise in furtherance of the person's official State duties  
8 or governmental and public service functions.

9 (h) A spouse, child, or parent of a Board member or an  
10 employee may not:

11 (1) Have a financial interest, directly or indirectly,  
12 in his or her own name or in the name of any other person,  
13 partnership, association, trust, corporation, or other  
14 entity, in any contract or subcontract for the performance  
15 of any work for the Board or the Concessionaire. This  
16 prohibition shall extend to the holding or acquisition of  
17 an interest in any entity identified by Board action that,  
18 in the judgment of the Board, could represent the potential  
19 for or the appearance of a conflict of interest. The  
20 holding or acquisition of an interest in such entities  
21 through an indirect means, such as through a mutual fund,  
22 shall not be prohibited.

23 (2) Accept any gift, gratuity, service, compensation,  
24 travel, lodging, or thing of value, with the exception of  
25 unsolicited items of an incidental nature, from any person,  
26 corporation or entity doing business with the Board.



1           (3) Within a period of 2 years immediately after  
2           termination of employment, knowingly accept employment or  
3           receive compensation or fees for services from a person or  
4           entity, or its parent or affiliate, that has engaged in  
5           business with the Board that resulted in contracts with an  
6           aggregate value of at least \$25,000 or if the Board has  
7           made a decision that directly applied to the person or  
8           entity, or its parent or affiliate.

9           (i) Any Board member or employee or spouse, child, or  
10          parent of a Board member or employee who violates any provision  
11          of this Section is guilty of a Class 4 felony.

12           (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

13           Sec. 7.1. Rules and regulations. The Department may ~~shall~~  
14          promulgate such rules and regulations governing the  
15          establishment and operation of a State lottery as it deems  
16          necessary to carry out the purposes of this Act. Such rules and  
17          regulations shall be subject to the provisions of The Illinois  
18          Administrative Procedure Act. If the State enters into a  
19          Management and Concession Agreement pursuant to which a  
20          Concessionaire is authorized to manage or operate the Lottery,  
21          the Board shall assume the Department's authorities and  
22          discharge the Department's duties under this Section and  
23          Section 7.2 of this Act. The Division may ~~shall~~ issue written  
24          game rules, play instructions, directives, operations manuals,  
25          brochures, or any other publications necessary to conduct

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

24 (Source: P.A. 94-776, eff. 5-19-06.)

1           Sec. 7.2. Matters included in rules and regulations. The  
2 rules and regulations of the Department or, if the State enters  
3 into a Management and Concession Agreement pursuant to which a  
4 Concessionaire is authorized to manage or operate the lottery,  
5 the Board may include, but shall not be limited to, the  
6 following:

7           (1) The types of lotteries to be conducted.†

8           (2) The price, or prices, of tickets or shares in the  
9 lottery.†

10           (3) The numbers and sizes of the prizes on the winning  
11 tickets or shares.†

12           (4) The manner of selecting the winning tickets or shares.†

13           (5) The manner of payment of prizes to the holders of  
14 winning tickets or shares.†

15           (6) The frequency of the drawing or selections of winning  
16 tickets or shares, without limitation.†

17           (7) Without limit to number, the type or types of locations  
18 at which tickets or shares may be sold.†

19           (8) The method to be used in selling tickets or shares.†

20           (9) The manner and amount of compensation, if any, to be  
21 paid licensed sales agents necessary to provide for the  
22 adequate availability of tickets or shares to prospective  
23 buyers and for the convenience of the public.†

24           (10) (Blank). ~~The apportionment of the total revenues~~  
25 ~~accruing from the sale of lottery tickets or shares and from~~  
26 ~~all other sources among (i) the payment of prizes to the~~

1 ~~holders of winning tickets or shares, (ii) the payment of costs~~  
2 ~~incurred in the operation and administration of the lottery,~~  
3 ~~including the expenses of the Department and the costs~~  
4 ~~resulting from any contract or contracts entered into for~~  
5 ~~promotional, advertising or operational services or for the~~  
6 ~~purchase or lease of lottery equipment and materials, and (iii)~~  
7 ~~for monthly transfers to the Common School Fund. The net~~  
8 ~~revenues accruing from the sale of lottery tickets shall be~~  
9 ~~determined by deducting from total revenues the payments~~  
10 ~~required by paragraphs (i) and (ii) of this subsection.~~

11 (11) Such other matters necessary or desirable for the  
12 efficient and economical operation and administration of the  
13 lottery or for the implementation and oversight of any  
14 Management and Concession Agreement pursuant to which a  
15 Concessionaire is authorized to manage or operate the Lottery  
16 and for the convenience of the purchasers of tickets or shares  
17 and the holders of winning tickets or shares.

18 ~~Any rules and regulations of the Department with respect to~~  
19 ~~monthly transfers to the Common School Fund are subject to~~  
20 ~~Section 21.2.~~

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

22 (20 ILCS 1605/7.3) (from Ch. 120, par. 1157.3)

23 Sec. 7.3. Hearings on violations; other hearings. The Board  
24 shall designate Hearing Officers who shall conduct hearings  
25 upon complaints charging violations of this Act or of

1 regulations thereunder, and such other hearings as may be  
2 provided by Department rule. The Board may hear appeals from  
3 the recommended decisions of its Hearing Officers in accordance  
4 with procedures established by Department rule. Whenever the  
5 Department issues a Notice of Assessment under Section 21 of  
6 this Act, the lottery sales agent may protest such Notice by  
7 filing a request for hearing within 20 days of the date of such  
8 Notice.

9 (Source: P.A. 85-1224; 86-1475.)

10 (20 ILCS 1605/7.4) (from Ch. 120, par. 1157.4)

11 Sec. 7.4. Studies and investigations of lottery. The  
12 Department or, if the State enters into a Management and  
13 Concession Agreement pursuant to which a Concessionaire is  
14 authorized to manage or operate the Lottery, the Board shall  
15 carry on a continuous study and investigation of the lottery  
16 throughout the State (1) for the purpose of ascertaining any  
17 defects in this Act or in the rules and regulations issued  
18 under this Act whereby any abuses in the administration and  
19 operation of the lottery or any evasion of this Act or the  
20 rules and regulations may arise or be practiced, (2) for the  
21 purpose of formulating recommendations for changes in this Act  
22 and the rules and regulations promulgated hereunder to prevent  
23 such abuses and evasions, (3) to guard against the use of this  
24 Act and the rules and regulations issued hereunder as a cloak  
25 for the carrying on of organized gambling and crime, and (4) to

1 insure that the law and rules and regulations shall be in such  
2 form and be so administered as to serve the true purposes of  
3 this Act.

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

5 (20 ILCS 1605/7.5) (from Ch. 120, par. 1157.5)

6 Sec. 7.5. Reports on matters requiring changes in law. The  
7 Board shall report to the Governor, the Attorney General, the  
8 Speaker of the House, the President of the Senate, the minority  
9 leaders of both houses, and such other State officers as from  
10 time to time it deems appropriate, any matters which it deems  
11 to require an immediate change in the laws of this State in  
12 order to prevent abuses and evasions of this Act or rules and  
13 regulations promulgated thereunder or to rectify undesirable  
14 conditions in connection with the administration or operation  
15 of the lottery.

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

17 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

18 Sec. 7.6. Recommendations. The Board shall advise and make  
19 recommendations to the Superintendent or the Director  
20 regarding the functions and operations of the State Lottery. A  
21 copy of all such recommendations shall also be forwarded to the  
22 Governor, the Attorney General, the Speaker of the House, the  
23 President of the Senate and the minority leaders of both  
24 houses.

1 (Source: P.A. 94-776, eff. 5-19-06.)

2 (20 ILCS 1605/7.8) (from Ch. 120, par. 1157.8)

3 Sec. 7.8. Annual report; report as public report. The  
4 Department, or, if the State enters into a Management and  
5 Concession Agreement pursuant to which a Concessionaire is  
6 authorized to manage or operate the Lottery, the Board shall  
7 make an annual report regarding the work of the Board to the  
8 Governor, the Speaker of the House, the President of the  
9 Senate, and the minority leaders of both houses, such report to  
10 be a public report.

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

12 (20 ILCS 1605/7.8a) (from Ch. 120, par. 1157.8a)

13 Sec. 7.8a. Advertising policy. The Board shall establish  
14 advertising policy to ensure that advertising content and  
15 practices do not target with the intent to exploit specific  
16 groups or economic classes of people, and that its content is  
17 accurate and not misleading. The Board shall review, at least  
18 quarterly, all past advertising and proposed concepts for major  
19 media campaigns to ensure that they do not target with the  
20 intent to exploit specific groups or economic classes of  
21 people, and that their content is accurate and not misleading.  
22 If the Board finds that advertising conflicts with such policy,  
23 it shall have the authority to direct the Department to cease  
24 that advertising. If the State enters into a Management and

1 Concession Agreement pursuant to which a Concessionaire is  
2 authorized to manage or operate the Lottery and the  
3 Concessionaire has the right to undertake marketing and  
4 advertising activities, the Concessionaire shall submit, for  
5 the Board's review of content and determination of compliance  
6 with this Section, all marketing and advertising materials  
7 pursuant to such rules and policies as the Board may promulgate  
8 from time to time. If the Board finds that action proposed or  
9 taken by the Concessionaire conflicts with those rules or  
10 policies, the Board shall have the authority to direct the  
11 Concessionaire to cease or refrain from taking that action.

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

13 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

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



1 (Source: P.A. 94-776, eff. 5-19-06.)

2 (20 ILCS 1605/8) (from Ch. 120, par. 1158)

3 Sec. 8. Compelling appearance of witnesses and production  
4 of documents; oaths and affirmations; dispositions. In  
5 connection with any hearing held pursuant to Section 6.1 or 7.3  
6 of this Act, the Board, or any Hearing Officer appointed by the  
7 Board, may subpoena and compel the appearance of witnesses and  
8 production of documents, papers, books, records and other  
9 evidence before it in any matter over which it has  
10 jurisdiction, control or supervision. The Board, or any  
11 appointed Hearing Officer, shall have the power to administer  
12 oaths and affirmations to persons whose testimony is required.  
13 If a person subpoenaed to attend in any such proceeding or  
14 hearing fails to obey the command of the subpoena without  
15 reasonable cause, or if a person in attendance in any such  
16 proceeding or hearing refuses, without lawful cause, to be  
17 examined or to answer a legal or pertinent question or to  
18 exhibit any books, account, record or other document when  
19 ordered so to do by the Board or its Hearing Officer, the Board  
20 or Hearing Officer may apply to the circuit court, upon proof  
21 by affidavit of the facts, for an order returnable in not less  
22 than 2 nor more than 10 days, or as the court may prescribe,  
23 directing such person to show cause before the court why he or  
24 she should not comply with such subpoena or such order.

25 Upon return of the order, the court shall examine such

1 person under oath, and if the court determines, after giving  
2 such person an opportunity to be heard, that he or she refused  
3 without legal excuse to comply with such subpoena or such order  
4 of the Board or Hearing Officer, the court may order such  
5 person to comply therewith immediately and any failure to obey  
6 the order of the court may be punished as a contempt of court.

7 All subpoenas and subpoenas duces tecum issued under the  
8 provisions of this Act may be served by any person of lawful  
9 age. The fees of witnesses for attendance and travel shall be  
10 the same as the fees of witnesses before the circuit courts of  
11 this State. When the witness is subpoenaed at the instance of  
12 the Department or any officer or employee thereof, such fees  
13 shall be paid in the same manner as other expenses of the  
14 Department. When the witness is subpoenaed at the instance of  
15 any other party to any such proceeding, the Department may  
16 require that the cost of service of the subpoena or subpoena  
17 duces tecum and the fee of the witness be borne by the party at  
18 whose instance the witness is summoned. In such case, and on  
19 motion of the Department, the Board or its Hearing Officer may  
20 require a deposit to cover the cost of such service and witness  
21 fees.

22 The Department, or any officer or employee thereof, or any  
23 other party to a hearing before the Board or its Hearing  
24 Officers, may cause the depositions of witnesses within the  
25 State to be taken in the manner prescribed by law for like  
26 depositions in civil actions in courts of this State, and to

1 that end compel the attendance of witnesses and the production  
2 of books, papers, records or memoranda.

3 (Source: P.A. 85-1224.)

4 (20 ILCS 1605/8.1) (from Ch. 120, par. 1158.1)

5 Sec. 8.1. Contracts; competitive negotiation. Contracts  
6 for State Lottery tickets or shares or for other State Lottery  
7 game related services shall be obtained through the utilization  
8 of competitive negotiation procedures whenever practicable.

9 (Source: P.A. 84-268.)

10 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

11 Sec. 9. Duties of Superintendent. The Superintendent, as  
12 administrative head of the Division, shall direct and supervise  
13 all its administrative and technical activities and shall  
14 report to the Director. In addition to the duties imposed upon  
15 him elsewhere in this Act, it shall be the Superintendent's  
16 duty:

17 a. To supervise and administer the operation of the lottery  
18 in accordance with the provisions of this Act or such rules and  
19 regulations of the Department adopted thereunder.

20 b. To attend meetings of the Board or to appoint a designee  
21 to attend in his stead.

22 c. To employ and direct such personnel in accord with the  
23 Personnel Code, as may be necessary to carry out the purposes  
24 of this Act. The Superintendent may, subject to the approval of

1 the Director, use the services, personnel, or facilities of the  
2 Department. In addition, the Superintendent may by agreement  
3 secure such services as he or she may deem necessary from any  
4 other department, agency, or unit of the State government, and  
5 may employ and compensate such consultants and technical  
6 assistants as may be required and is otherwise permitted by  
7 law.

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

19 e. To suspend or revoke any license issued pursuant to this  
20 Act or the rules and regulations promulgated by the Department  
21 thereunder.

22 f. To confer regularly as necessary or desirable and not  
23 less than once every month with the Lottery Control Board on  
24 the operation and administration of the Lottery; to make  
25 available for inspection by the Board or any member of the  
26 Board, upon request, all books, records, files, and other

1 information and documents of his office; to advise the Board  
2 and recommend such rules and regulations and such other matters  
3 as he deems necessary and advisable to improve the operation  
4 and administration of the lottery or the implementation and  
5 oversight of a Management and Concession Agreement.

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

15 h. To enter into a Management and Concession Agreement that  
16 authorizes a Concessionaire to enter into an agreement or  
17 agreements with the management of state lotteries operated  
18 pursuant to the laws of other states for the purpose of  
19 creating and operating a multi-state lottery game wherein a  
20 separate and distinct prize pool would be combined to award  
21 larger prizes to the public than could be offered by the  
22 several state lotteries, individually or, if the State enters  
23 into a Management and Concession Agreement pursuant to which a  
24 Concessionaire is authorized to manage or operate the Lottery,  
25 to authorize the Concessionaire to take such action. No tickets  
26 or shares offered in connection with a multi-state lottery game

1 shall be sold within the State of Illinois, except those  
2 offered by and through the Department or, if the State enters  
3 into a Management and Concession Agreement pursuant to which a  
4 Concessionaire is authorized to manage or operate the Lottery,  
5 by the Concessionaire pursuant to the terms of the Management  
6 and Concession Agreement and this amendatory Act of the 95th  
7 General Assembly. No such agreement shall purport to pledge the  
8 full faith and credit of the State of Illinois, nor shall the  
9 Department expend State funds on a contractual basis in  
10 connection with any such game unless such expenditures are  
11 expressly authorized by the General Assembly, provided,  
12 however, that in the event of error or omission by the Illinois  
13 State Lottery in the conduct of the game, as determined by the  
14 multi-state game directors, except as may be and to the extent  
15 modified by the terms of a Management and Concession Agreement,  
16 the Department shall be authorized to pay a prize winner or  
17 winners the lesser of a disputed prize or \$1,000,000, any such  
18 payment to be made solely from funds appropriated for game  
19 prize purposes. Except as may be and to the extent modified by  
20 the terms of a Management and Concession Agreement, the ~~The~~  
21 Department shall be authorized to share in the ordinary  
22 operating expenses of any such multi-state lottery game, from  
23 funds appropriated by the General Assembly, and in the event  
24 the multi-state game control offices are physically located  
25 within the State of Illinois, the Department is authorized to  
26 advance start-up operating costs not to exceed \$150,000,

1 subject to proportionate reimbursement of such costs by the  
2 other participating state lotteries. The Department shall be  
3 authorized to share proportionately in the costs of  
4 establishing a liability reserve fund from funds appropriated  
5 by the General Assembly. The Department is authorized to  
6 transfer prize award funds attributable to Illinois sales of  
7 multi-state lottery game tickets to the multi-state control  
8 office, or its designated depository, for deposit to such game  
9 pool account or accounts as may be established by the  
10 multi-state game directors, the records of which account or  
11 accounts shall be available at all times for inspection in an  
12 audit by the Auditor General of Illinois and any other auditors  
13 pursuant to the laws of the State of Illinois. No multi-state  
14 game prize awarded to a nonresident of Illinois, with respect  
15 to a ticket or share purchased in a state other than the State  
16 of Illinois, shall be deemed to be a prize awarded under this  
17 Act for the purpose of taxation under the Illinois Income Tax  
18 Act. ~~All of the net revenues accruing from the sale of~~  
19 ~~multi state lottery tickets or shares shall be transferred into~~  
20 ~~the Common School Fund pursuant to Section 7.2.~~ The Department  
21 shall promulgate such rules as may be appropriate to implement  
22 the provisions of this Section.

23 i. To make a continuous study and investigation of (1) the  
24 operation and the administration of similar laws which may be  
25 in effect in other states or countries, (2) any literature on  
26 the subject which from time to time may be published or

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

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

19 k. In the event that the State shall enter into a  
20 Management and Concession Agreement, it shall be the duty of  
21 the Superintendent, together with the Board, to supervise and  
22 administer the operations of the lottery in accordance with the  
23 provisions of this Act, the rules and regulations of the Board  
24 adopted hereunder, and the terms of the Management and  
25 Concession Agreement.

26 (Source: P.A. 94-776, eff. 5-19-06.)



1 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

2 Sec. 10. Licensing of agents to sell lottery tickets or  
3 shares. The Division, upon application therefor on forms  
4 prescribed by the Division, and upon a determination by the  
5 Division that the applicant meets all of the qualifications  
6 specified in this Act, shall issue a license as an agent to  
7 sell lottery tickets or shares. No license as an agent to sell  
8 lottery tickets or shares shall be issued to any person to  
9 engage in business exclusively as a lottery sales agent.

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

17 Until September 1, 1987, the provisions of Sections 2a, 4,  
18 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,  
19 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are  
20 not inconsistent with this Act shall apply to the subject  
21 matter of this Act to the same extent as if such provisions  
22 were included in this Act. For purposes of this Act, references  
23 in such incorporated Sections of the Retailers' Occupation Tax  
24 Act to retailers, sellers or persons engaged in the business of  
25 selling tangible personal property mean persons engaged in

1 selling lottery tickets or shares; references in such  
2 incorporated Sections to sales of tangible personal property  
3 mean the selling of lottery tickets or shares; and references  
4 in such incorporated Sections to certificates of registration  
5 mean licenses issued under this Act. The provisions of the  
6 Retailers' Occupation Tax Act as heretofore applied to the  
7 subject matter of this Act shall not apply with respect to  
8 tickets sold by or delivered to lottery sales agents on and  
9 after September 1, 1987, but such provisions shall continue to  
10 apply with respect to transactions involving the sale and  
11 delivery of tickets prior to September 1, 1987.

12 All licenses issued by the Division under this Act shall be  
13 valid for a period not to exceed 2 years after issuance unless  
14 sooner revoked, canceled or suspended as in this Act provided.  
15 No license issued under this Act shall be transferable or  
16 assignable. Such license shall be conspicuously displayed in  
17 the place of business conducted by the licensee in Illinois  
18 where lottery tickets or shares are to be sold under such  
19 license.

20 For purposes of this Section, the term "person" shall be  
21 construed to mean and include an individual, association,  
22 partnership, corporation, club, trust, estate, society,  
23 company, joint stock company, receiver, trustee, referee, any  
24 other person acting in a fiduciary or representative capacity  
25 who is appointed by a court, or any combination of individuals.  
26 "Person" includes any department, commission, agency or

1 instrumentality of the State, including any county, city,  
2 village, or township and any agency or instrumentality thereof.

3 If the State enters into a Management and Concession  
4 Agreement pursuant to which the State authorizes a  
5 Concessionaire to retain agents to distribute lottery tickets,  
6 the Division shall cease issuing licenses to agents to sell  
7 lottery tickets or shares during the term of the Management and  
8 Concession Agreement. In retaining such agents, the  
9 Concessionaire shall apply appropriate criteria in determining  
10 suitability of those agents, including without limitation,  
11 criteria establishing the ineligibility for a license as set  
12 forth in Section 10.1 of this Act. Further, the Concessionaire  
13 shall provide to the Department, not less than monthly, a list  
14 of all agents the Concessionaire has engaged to distribute  
15 lottery tickets or shares, which statement shall include a  
16 certification that all such agents comply with the eligibility  
17 standards set forth in this Act.

18 (Source: P.A. 94-776, eff. 5-19-06.)

19 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

20 Sec. 10.1. Persons ineligible for licenses. The following  
21 are ineligible for any license under this Act:

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

23 (b) any person who is or has been a professional gambler or  
24 gambling promoter, except when the person acted in such a  
25 capacity pursuant to and in compliance with all applicable law;

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

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

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

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

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

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

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

19 1) at least 10 years have elapsed since the date when the  
20 sentence for the most recent such conviction was satisfactorily  
21 completed;

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

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

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

5           The Division may revoke, without notice or a hearing, the  
6 license of any agent who violates this Act or any rule or  
7 regulation promulgated pursuant to this Act. If the State  
8 enters into a Management and Concession Agreement pursuant to  
9 which the State authorizes a Concessionaire to engage any sales  
10 agent, the Division shall retain the power to revoke any such  
11 agency pursuant to the provisions of this Act. However, if the  
12 Division does revoke a license without notice and an  
13 opportunity for a hearing, the Division shall, by appropriate  
14 notice, afford the person whose license has been revoked an  
15 opportunity for a hearing within 30 days after the revocation  
16 order has been issued. As a result of any such hearing, the  
17 Division may confirm its action in revoking the license, or it  
18 may order the restoration of such license.

19           (Source: P.A. 94-776, eff. 5-19-06.)

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

21           Sec. 10.1a. Failure to satisfy tax Act requirements. In  
22 addition to other grounds specified in this Act, the Division  
23 shall refuse to issue and shall suspend the license of any  
24 lottery sales agency who fails to file a return, or to pay the  
25 tax, penalty or interest shown in a filed return, or to pay any

1 final assessment of tax, penalty or interest, as required by  
2 any tax Act administered by the Department, until such time as  
3 the 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. If the State enters into a  
7 Management and Concession Agreement pursuant to which the State  
8 authorizes a Concessionaire to engage any sales agent, the  
9 Division may direct the Concessionaire to refrain from engaging  
10 or to suspend the engagement of any party acting or seeking to  
11 act as a sales agent. The Division shall affirmatively verify  
12 the tax status of every sales agency before issuing or renewing  
13 a license, except that, if the State enters into a Management  
14 and Concession Agreement pursuant to which the State authorizes  
15 a Concessionaire to engage any sales agent, the Division shall  
16 verify the tax status of each agent from the list of agents  
17 provided by the Concessionaire pursuant to Section 10 of this  
18 Act. For purposes of this Section, a sales agency shall not be  
19 considered delinquent in the payment of a tax if the agency (a)  
20 has entered into an agreement with the Department for the  
21 payment of all such taxes that are due and (b) is in compliance  
22 with the agreement.

23 (Source: P.A. 94-776, eff. 5-19-06.)

24 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

25 Sec. 10.2. Application and other fees. Each application

1 for a new lottery license must be accompanied by a one-time  
2 application fee of \$50; the Division, however, may waive the  
3 fee for licenses of limited duration as provided by Department  
4 rule. Each application for renewal of a lottery license must be  
5 accompanied by a renewal fee of \$25. Each lottery licensee  
6 granted on-line status pursuant to the Department's rules must  
7 pay a fee of \$10 per week as partial reimbursement for  
8 telecommunications charges incurred by the Department in  
9 providing access to the lottery's on-line gaming system. The  
10 Department, by rule, may increase or decrease the amount of  
11 these fees. No Concessionaire that may retain sales agents for  
12 the Lottery pursuant to the terms of a Management and  
13 Concession Agreement may assess any fee pursuant this Section.

14 (Source: P.A. 93-840, eff. 7-30-04; 94-776, eff. 5-19-06.)

15 (20 ILCS 1605/10.3) (from Ch. 120, par. 1160.3)

16 Sec. 10.3. Proceeds received by sales agent. All proceeds  
17 from the sale of lottery tickets or shares received by a person  
18 in the capacity of a sales agent shall constitute a trust fund  
19 until paid to the Department either directly, or through the  
20 Department's authorized collection representative. Proceeds  
21 shall include unsold instant tickets received by a sales agent  
22 and cash proceeds of sale of any lottery products, net of  
23 allowable sales commissions and credit for lottery prizes paid  
24 to winners by sales agents. Sales proceeds and unsold instant  
25 tickets shall be delivered to the Department or its authorized

1 collection representative upon demand. Sales agents shall be  
2 personally liable for all proceeds which shall be kept separate  
3 and apart from all other funds and assets and shall not be  
4 commingled with any other funds or assets. In the case of a  
5 sales agent who is not an individual, personal liability shall  
6 attach to the owners and officers of the sales agent. The  
7 Department shall have a right to file a lien upon all real and  
8 personal property of any person who is personally liable under  
9 this Section for any unpaid proceeds, which were to be  
10 segregated as a trust fund under this Section, at any time  
11 after such payment was to have been made. Such lien shall  
12 include any interest and penalty provided for by this Act and  
13 shall be deemed equivalent to, and have the same effect as, the  
14 State tax lien under the Retailers' Occupation Tax Act. The  
15 term "person" as used in this Section, and in Section 10.4 of  
16 this Act, shall have the same meaning as provided in Section 10  
17 of this Act. This Section, and Sections 10.4 and 10.5 of this  
18 Act shall apply with respect to all lottery tickets or shares  
19 generated by computer terminal, other electronic device, and  
20 any other tickets delivered to sales agents on and after  
21 September 1, 1987. If the State enters into a Management and  
22 Concession Agreement pursuant to which a Concessionaire is  
23 authorized to manage or operate the Lottery: (i) the  
24 Concessionaire may be the Department's authorized collection  
25 representative; and (ii) no such arrangement shall diminish the  
26 Department's rights pursuant to this Section. For purposes of



1 this Section, "sales agent" includes any sales agent engaged by  
2 a Concessionaire pursuant to the terms of a Management and  
3 Concession Agreement.

4 (Source: P.A. 86-905.)

5 (20 ILCS 1605/10.4) (from Ch. 120, par. 1160.4)

6 Sec. 10.4. Proceeds received by sales agent; violations.  
7 Every person who shall violate the provisions of Section 10.3,  
8 or who does not segregate and keep separate and apart from all  
9 other funds and assets, all proceeds from the sale of lottery  
10 tickets received by a person in the capacity of a sales agent,  
11 shall upon conviction thereof be guilty of a Class 4 felony.  
12 The provisions of this Section shall be enforced by the  
13 Illinois Department of State Police and prosecuted by the  
14 Attorney General.

15 (Source: P.A. 85-183; 86-1475.)

16 (20 ILCS 1605/10.5) (from Ch. 120, par. 1160.5)

17 Sec. 10.5. Sales agent; insolvency. Whenever any person who  
18 receives proceeds from the sale of lottery tickets in the  
19 capacity of sales agent becomes insolvent, or dies insolvent,  
20 the proceeds due the Department from such person or his estate  
21 shall have preference over all debts or demands, except as  
22 follows:

23 (a) Amounts due for necessary funeral expenses;

24 (b) Amounts due for medical care and medicine during his

1 most recent illness preceding death;

2 (c) Debts due to the United States;

3 (d) Debts due to the State of Illinois and all State and  
4 local taxes; and

5 (e) Wages for labor performed within the 6 months  
6 immediately preceding the death of such deceased person, not  
7 exceeding \$1,000 due to another person and provided further  
8 that such proceeds shall be nondischargeable in insolvency  
9 proceedings instituted pursuant to Chapter 7, Chapter 11, or  
10 Chapter 13 of the Federal Bankruptcy Act.

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

12 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

13 Sec. 10.6. Odds of winning. The Division shall make an  
14 effort to more directly inform players of the odds of winning  
15 prizes. This effort shall include, at a minimum, that the  
16 Division require all ticket agents to display a placard stating  
17 the odds of winning for each game offered by that agent. In the  
18 event that the State shall enter into a Management and  
19 Concession Agreement, the Division shall be relieved of its  
20 duties under this Section 10.6 and the Concessionaire shall be  
21 obligated to comply with the requirements of this Section 10.6.

22 (Source: P.A. 94-776, eff. 5-19-06.)

23 (20 ILCS 1605/10.7)

24 Sec. 10.7. Compulsive gambling.

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

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

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

21 (d) If the State enters into a Management and Concession  
22 Agreement pursuant to which a Concessionaire is authorized to  
23 manage or operate the Lottery, the Concessionaire shall assume  
24 and discharge all duties of the Division under subsections (a),  
25 (b), and (c) of this Section.

26 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/11) (from Ch. 120, par. 1161)

2 Sec. 11. Officers and employees; civil or criminal  
3 penalties; devolution of powers or duties. Every officer and  
4 employee shall for any offense be subject to the same penalty  
5 or penalties, civil or criminal, as are prescribed by existing  
6 law for the same offense by any officer or employee whose  
7 powers or duties devolve upon him under this Act.

8 (Source: P.A. 78-3rd S.S.-20.)

9 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

10 Sec. 12. Public inspection and copying of records and data;  
11 exceptions. The public inspection and copying of the records  
12 and data of the Division and the Board shall be generally  
13 governed by the provisions of the Freedom of Information Act  
14 except that the following shall additionally be exempt from  
15 inspection and copying:

16 (i) information privileged against introduction in  
17 judicial proceedings;

18 (ii) internal communications of the several agencies;

19 (iii) information concerning secret manufacturing  
20 processes or confidential data submitted by any person  
21 under this Act;

22 (iv) any creative proposals, scripts, storyboards or  
23 other materials prepared by or for the Division or a  
24 Concessionaire under a Management and Concession

1        Agreement, prior to the placement of the materials in the  
2        media, if the prior release of the materials would  
3        compromise the effectiveness of an advertising campaign.  
4        (Source: P.A. 94-776, eff. 5-19-06.)

5            (20 ILCS 1605/13) (from Ch. 120, par. 1163)

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

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

7 If the State enters into a Management and Concession  
8 Agreement pursuant to which a payor other than the State, or a  
9 department, division, agency, or other unit of the State shall  
10 have the obligation to pay a prize, except as otherwise  
11 provided in Section 13.1, neither a prize, nor any portion of a  
12 prize, nor any right of any person to a prize awarded shall be  
13 assignable. Any prize, or portion thereof remaining unpaid at  
14 the death of a prize winner, may be paid to the estate of that  
15 deceased prize winner, or to the trustee under a revocable  
16 living trust established by the deceased prize winner as  
17 settlor, provided that a copy of that trust has been delivered  
18 to the third party prize payor along with a notarized letter of  
19 direction from the settlor and no written notice of revocation  
20 has been received by the third party prize payor prior to the  
21 settlor's death. Following such a settlor's death and prior to  
22 any payment to such a successor trustee, the third party prize  
23 payor shall obtain from the trustee a written agreement to  
24 indemnify and hold the third party prize payor and the State  
25 harmless with respect to any claims that may be asserted  
26 against such third party prize payor or the State arising from

1 the payment of the prize to or through the trust. The Director  
2 and the Superintendent shall be discharged of all further  
3 liability upon payment of a prize pursuant to this Section and  
4 shall in no event be liable for any failure of a Concessionaire  
5 to pay any prize.

6 (Source: P.A. 94-776, eff. 5-19-06; 95-331, eff. 8-21-07.)

7 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

8 Sec. 14. Sale of ticket or share at greater than fixed  
9 price; sale or resale of tickets or shares; charging a fee to  
10 redeem winning ticket or share; punishment. No person shall  
11 sell a ticket or share at a price greater than that fixed by  
12 rule or regulation of the Department or the Division. No person  
13 other than a licensed lottery sales agent or distributor or a  
14 Concessionaire or a sales agent engaged by a Concessionaire  
15 pursuant to the terms of a Management and Concession Agreement  
16 shall sell or resell lottery tickets or shares. No person shall  
17 charge a fee to redeem a winning ticket or share.

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

22 (Source: P.A. 94-776, eff. 5-19-06.)

23 (20 ILCS 1605/14.2) (from Ch. 120, par. 1164.2)

24 Sec. 14.2. Lottery ticket fraud; prima facie evidence. Any

1 person who, with intent to defraud, shall falsely make, alter,  
2 forge, utter, pass or counterfeit a lottery ticket or share  
3 issued by the State of Illinois under this Act shall be guilty  
4 of a Class 4 felony.

5 It shall be prima facie evidence of intent to defraud for a  
6 person to possess a lottery ticket or share issued by the State  
7 under this Act if he or she knows that ticket or share was  
8 falsely made, altered, forged, uttered, passed, or  
9 counterfeited.

10 (Source: P.A. 89-466, eff. 6-13-96.)

11 (20 ILCS 1605/14.3)

12 Sec. 14.3. Misuse of proprietary material prohibited.  
13 Except as may be provided in Section 7.11, or by bona fide sale  
14 or by prior authorization from the Department or the Division,  
15 or otherwise by law, all premiums, promotional and other  
16 proprietary material produced or acquired by the Division as  
17 part of its advertising and promotional activities shall remain  
18 the property of the Department. Nothing herein shall be  
19 construed to affect the rights or obligations of the Department  
20 or any other person under federal or State trademark or  
21 copyright laws, nor shall anything herein be construed to  
22 prevent the Department or Division from assigning its rights in  
23 such property to a Concessionaire pursuant to a Management and  
24 Concession Agreement.

25 (Source: P.A. 94-776, eff. 5-19-06.)



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

2 Sec. 15. Prohibition against minors under 18 years of age  
3 and certain other persons purchasing or being furnished lottery  
4 tickets or shares. No minor under 18 years of age shall buy a  
5 lottery ticket or share. No person shall sell, distribute  
6 samples of, or furnish a lottery ticket or share to any minor  
7 under 18 years of age, buy a lottery ticket or share for any  
8 minor under 18 years of age, or aid and abet in the purchase of  
9 lottery tickets or shares by a minor under 18 years of age.

10 No ticket or share shall be purchased by, and no prize  
11 shall be paid to any of the following persons: any member of  
12 the Board or any officer or other person employed by the Board  
13 or by the Department or by the Concessionaire or any party with  
14 which the Concessionaire may contract to operate the Lottery;  
15 any spouse, child, brother, sister or parent residing as a  
16 member of the same household in the principal place of abode of  
17 any such persons; or any minor under 18 years of age.

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

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

1 (20 ILCS 1605/16) (from Ch. 120, par. 1166)

2 Sec. 16. Violations of Act, rules, or regulations;  
3 punishment; enforcement. It shall be a Class B misdemeanor to  
4 violate this Act or any rule or regulation promulgated  
5 thereunder, or knowingly to submit any false information under  
6 this Act or rules or regulations adopted thereunder; except  
7 that, if any person engages in such offense after one or more  
8 prior convictions under this Act, or any law of the United  
9 States or of any State relating to gambling or State operated  
10 lotteries, he shall be guilty of a Class 4 felony. It shall be  
11 the duty of all State and local law enforcement officers to  
12 enforce such Act and regulations.

13 (Source: P.A. 78-3rd S.S.-20.)

14 (20 ILCS 1605/17) (from Ch. 120, par. 1167)

15 Sec. 17. Other laws providing penalty or disability for  
16 sale of lottery tickets or shares inapplicable. No other law  
17 providing any penalty or disability for the sale of lottery  
18 tickets or shares or any acts done in connection with the  
19 lottery established under this Act shall apply to the sale of  
20 tickets or shares performed pursuant to this Act.

21 (Source: P.A. 81-477.)

22 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

23 Sec. 19. Claiming prizes. The Division shall establish an  
24 appropriate period for the claiming of prizes for each lottery

1 game offered. Each claim period shall be stated in game rules  
2 and written play instructions issued by the Superintendent in  
3 accordance with Section 7.1 of this Act or, if the State enters  
4 into a Management and Concession Agreement pursuant to which a  
5 Concessionaire shall manage or operate the Lottery, such rules  
6 and written play instructions as may be issued in accordance  
7 with the terms of the Management and Concession Agreement.

8 Written play instructions shall be made available to all  
9 players through sales agents licensed to sell game tickets or  
10 shares. Prizes for lottery games which involve the purchase of  
11 a physical lottery ticket may be claimed only by presentation  
12 of a valid winning lottery ticket that matches validation  
13 records on file with the Lottery or, if the State enters into a  
14 Management and Concession Agreement pursuant to which a  
15 Concessionaire manages or operates the Lottery, the records on  
16 file with that Concessionaire; no claim may be honored which is  
17 based on the assertion that the ticket was lost or stolen. No  
18 lottery ticket which has been altered, mutilated, or fails to  
19 pass validation tests shall be deemed to be a winning ticket.

20 If no claim is made for the money within the established  
21 claim period, then the unclaimed prize money shall be  
22 transferred to the Illinois Education Trust Fund except, in the  
23 event the Lottery is operated pursuant to the terms of a  
24 Management and Concession Agreement, as may otherwise be  
25 provided in such agreement as is then in effect ~~the prize may~~  
26 ~~be included in the prize pool of such special drawing or~~

1 ~~drawings as the Division may, from time to time, designate.~~  
2 Unclaimed multi-state game prize money may be included in the  
3 multi-state prize pool for such special drawing or drawings as  
4 the multi-state game directors may, from time to time,  
5 designate. ~~Any bonuses offered by the Department to sales~~  
6 ~~agents who sell winning tickets or shares shall be payable to~~  
7 ~~such agents regardless of whether or not the prize money on the~~  
8 ~~ticket or share is claimed, provided that the agent can be~~  
9 ~~identified as the vendor of the winning ticket or share, and~~  
10 ~~that the winning ticket or share was sold on or after January~~  
11 ~~1, 1984. All unclaimed prize money not included in the prize~~  
12 ~~pool of a special drawing shall be transferred to the Common~~  
13 ~~School Fund.~~

14 (Source: P.A. 94-776, eff. 5-19-06.)

15 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

16 Sec. 20. State Lottery Fund.

17 (a) There is created in the State Treasury a special fund  
18 to be known as the "State Lottery Fund". Such fund shall  
19 consist of all revenues received from (1) the sale of lottery  
20 tickets or shares, (net of commissions, fees representing those  
21 expenses that are directly proportionate to the sale of tickets  
22 or shares at the agent location, and prizes of less than \$600  
23 which have been validly paid at the agent level), (2)  
24 application fees, and (3) all other sources including moneys  
25 credited or transferred thereto from any other fund or source

1 pursuant to law and, if the State enters into a Management and  
2 Concession Agreement, any moneys accruing to the State pursuant  
3 to the terms of that Agreement. Interest earnings of the State  
4 Lottery Fund shall be credited to the Common School Fund.

5 (b) The receipt and distribution of moneys under Section  
6 21.5 of this Act shall be in accordance with Section 21.5.

7 (c) The receipt and distribution of moneys under Section  
8 21.6 of this Act shall be in accordance with Section 21.6.

9 (d) The receipt and distribution of moneys under Section  
10 21.7 of this Act shall be in accordance with Section 21.7.

11 (e) ~~(d)~~ The receipt and distribution of moneys under  
12 Section 21.8 ~~21.7~~ of this Act shall be in accordance with  
13 Section 21.8 ~~21.7~~.

14 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;  
15 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.  
16 10-11-07; revised 12-5-07.)

17 (20 ILCS 1605/20.2 new)

18 Sec. 20.2. Transfer of moneys from State Lottery Fund to  
19 Common School Fund. Notwithstanding any provision set forth in  
20 this Act or State law to the contrary, on or before the last  
21 day of each fiscal year the State Comptroller shall direct and  
22 the State Treasurer shall transfer moneys in and revenues  
23 received by the State Lottery Fund to the Common School Fund.

24 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

1           Sec. 21. Payments or deposits of moneys and income. All  
2 lottery sales agents or distributors shall be liable to the  
3 Lottery for any and all tickets accepted or generated by any  
4 employee or representative of that agent or distributor, and  
5 such tickets shall be deemed to have been purchased by the  
6 agent or distributor unless returned to the Lottery or if the  
7 State enters into a Management and Concession Agreement  
8 pursuant to which a Concessionaire engages sales agents or  
9 distributors, to such Concessionaire as may be allowed  
10 according to the terms of the Management and Concession  
11 Agreement within the time and in the manner prescribed by the  
12 Superintendent. All moneys received by such agents or  
13 distributors from the sale of lottery tickets or shares, less  
14 the amount retained as compensation for the sale of the tickets  
15 or shares and the amount paid out as prizes, shall be paid over  
16 to a lottery representative or deposited in a bank or savings  
17 and loan association approved by the State Treasurer, as  
18 prescribed by the Superintendent or, if the State enters into a  
19 Management and Concession Agreement pursuant to which those  
20 moneys are to be held by a trustee, to that trustee and in  
21 accordance with such terms as may be set forth in the  
22 Management and Concession Agreement.

23           No bank or savings and loan association shall receive any  
24 ~~public~~ funds as permitted by this Section, unless it has  
25 complied with the requirements established pursuant to Section  
26 6 of the Public Funds Investment Act.

1           Each payment or deposit shall be accompanied by a report of  
2 the agent's receipts and transactions in the sale of lottery  
3 tickets in such form and containing such information as the  
4 Superintendent, or if the State enters into a Management and  
5 Concession Agreement, as the Concessionaire may require. Any  
6 discrepancies in such receipts and transactions may be resolved  
7 as provided by the rules and regulations of the Department.

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

1 which shall be negotiated by the Department in accordance with  
2 commercially accepted standards. Any costs incurred by the  
3 Department or others authorized to act in its behalf in  
4 collecting such delinquencies may be assessed against the agent  
5 or distributor and included as a part of the delinquent  
6 account.

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



1 and costs, due the Lottery.

2 Any person who accepts money that is due to the Department  
3 from the sale of lottery tickets or shares under this Act, but  
4 who wilfully fails to remit such payment to the Department when  
5 due or who purports to make such payment but wilfully fails to  
6 do so because such ~~his check or other~~ remittance fails to clear  
7 the financial institution ~~bank or savings and loan association~~  
8 against which it is drawn, in addition to the amount due and in  
9 addition to any other penalty provided by law, shall be  
10 assessed, and shall pay, a penalty equal to 5% of the  
11 deficiency plus any costs or charges incurred by the Department  
12 in collecting such amount.

13 The Director may make such arrangements for any person(s),  
14 financial institution, ~~banks, savings and loan associations~~ or  
15 distributors, to perform such functions, activities or  
16 services in connection with the operation of the lottery as he  
17 deems advisable pursuant to this Act, the State Comptroller  
18 Act, or the rules and regulations of the Department, and such  
19 functions, activities or services shall constitute lawful  
20 functions, activities and services of such person(s), banks,  
21 savings and loan associations or distributors.

22 All income arising out of any activity or purpose of the  
23 Division shall, pursuant to the State Finance Act, be paid into  
24 the State Treasury except as otherwise provided by the rules  
25 and regulations of the Department and shall be covered into a  
26 special fund to be known as the State Lottery Fund. Banks and

1 savings and loan associations may be compensated for services  
2 rendered based upon the activity and amount of funds on  
3 deposit.

4 (Source: P.A. 94-776, eff. 5-19-06.)

5 (20 ILCS 1605/21.2) (from Ch. 120, par. 1171.2)

6 Sec. 21.2. (Repealed). ~~There is created a special fund in~~  
7 ~~the State Treasury known as the Illinois Land Grant Collegiate~~  
8 ~~Athletics Fund. The Department shall designate a special~~  
9 ~~lottery game of its choosing which it shall prepare and offer~~  
10 ~~for sale to the public, the net proceeds from which shall be~~  
11 ~~transferred to such fund for distribution to the University of~~  
12 ~~Illinois Athletic Association as otherwise authorized by law.~~

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

14 (20 ILCS 1605/21.3) (from Ch. 120, par. 1171.3)

15 Sec. 21.3. Officer of corporation; personal liability. Any  
16 officer of any corporation licensed as an agent for the sale of  
17 Lottery tickets and products shall be personally liable for the  
18 total amount of Lottery receipts due the Department which are  
19 unpaid by the corporation, together with any interest and  
20 penalties thereon assessed in accordance with the provision of  
21 Section 21 of the Act.

22 The personal liability of a corporate officer as provided  
23 herein shall survive the dissolution of the corporation. No  
24 action to enforce such personal liability shall be commenced

1 unless a notice of the delinquent account has been sent to such  
2 corporate officer at the address shown on the Lottery records  
3 or otherwise known to Department officials, and no such action  
4 shall be commenced after the expiration of 3 years from the  
5 date of the Department's notice of delinquent account or the  
6 termination of any court proceedings with respect to the issue  
7 of the delinquency of a corporation.

8 Procedures for protest and review of a notice of the  
9 Department's intention to enforce personal liability against a  
10 corporate officer shall be the same as those prescribed for  
11 protest and review of the Notice of Assessment as set forth in  
12 Section 7.3 of this Act.

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

14 (20 ILCS 1605/21.5)

15 Sec. 21.5. Superintendent Carolyn Adams Ticket For The  
16 Cure.

17 (a) The Department shall offer a special instant  
18 scratch-off game with the title of "Carolyn Adams Ticket For  
19 The Cure". The game shall commence on January 1, 2006 or as  
20 soon thereafter, in the discretion of the Director, as is  
21 reasonably practical, and shall be discontinued on December 31,  
22 2011. The operation of the game shall be governed by this Act  
23 and any rules adopted by the Department. The Department must  
24 consult with the Ticket For The Cure Board, which is  
25 established under Section 2310-347 of the Department of Public

1 Health Powers and Duties Law of the Civil Administrative Code  
2 of Illinois, regarding the design and promotion of the game. If  
3 any provision of this Section is inconsistent with any other  
4 provision of this Act, then this Section governs.

5 (b) The Ticket For The Cure Fund is created as a special  
6 fund in the State treasury. The net revenue from the Carolyn  
7 Adams Ticket For The Cure special instant scratch-off game  
8 shall be deposited into the Fund for appropriation by the  
9 General Assembly solely to the Department of Public Health for  
10 the purpose of making grants to public or private entities in  
11 Illinois for the purpose of funding research concerning breast  
12 cancer and for funding services for breast cancer victims. The  
13 Department must, before grants are awarded, provide copies of  
14 all grant applications to the Ticket For The Cure Board,  
15 receive and review the Board's recommendations and comments,  
16 and consult with the Board regarding the grants. For purposes  
17 of this Section, the term "research" includes, without  
18 limitation, expenditures to develop and advance the  
19 understanding, techniques, and modalities effective in the  
20 detection, prevention, screening, and treatment of breast  
21 cancer and may include clinical trials. The grant funds may not  
22 be used for institutional, organizational, or community-based  
23 overhead costs, indirect costs, or levies.

24 Moneys received for the purposes of this Section,  
25 including, without limitation, net revenue from the special  
26 instant scratch-off game and gifts, grants, and awards from any

1 public or private entity, must be deposited into the Fund. Any  
2 interest earned on moneys in the Fund must be deposited into  
3 the Fund.

4 For purposes of this subsection, "net revenue" means the  
5 total amount for which tickets have been sold less the sum of  
6 the amount paid out in prizes and the actual administrative  
7 expenses of the Department solely related to the Carolyn Adams  
8 Ticket For The Cure game.

9 (c) During the time that tickets are sold for the Carolyn  
10 Adams Ticket For The Cure game, the Department shall not  
11 unreasonably diminish the efforts devoted to marketing any  
12 other instant scratch-off lottery game.

13 (d) The Department may adopt any rules necessary to  
14 implement and administer the provisions of this Section.

15 (Source: P.A. 94-120, eff. 7-6-05.)

16 (20 ILCS 1605/21.9 new)

17 Sec. 21.9. Right to direct offer of special cause games. If  
18 the State enters into a Management and Concession Agreement,  
19 the State shall retain the right to direct the Concessionaire  
20 to offer special cause games as the General Assembly may  
21 determine appropriate from time to time. The General Assembly  
22 may in its discretion direct the deposit and use of net  
23 revenues from any such special cause games. The operation of  
24 any such special cause games shall be governed by this Act and  
25 any rules necessary to implement and administer the provisions

1 of this Section as adopted by the Department. For purposes of  
2 this Section, "net revenue" means the total amount for which  
3 tickets have been sold less the sum of the amount paid out in  
4 the prizes and the costs and expenses related to the game.

5 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

6 Sec. 24. Preaudit of accounts and transactions by State  
7 Comptroller; post-audits by Auditor General. The State  
8 Comptroller shall conduct a preaudit of all accounts and  
9 transactions of the Department in connection with the operation  
10 of the State Lottery under the State Comptroller Act, excluding  
11 payments issued by the Department for prizes of \$25,000 or  
12 less.

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

1 (Source: P.A. 94-776, eff. 5-19-06.)

2 (20 ILCS 1605/25) (from Ch. 120, par. 1175)

3 Sec. 25. Review under Administrative Review Law. Any party  
4 adversely affected by a final order or determination of the  
5 Board or the Department may obtain judicial review, by filing a  
6 petition for review within 35 days after the entry of the order  
7 or other final action complained of, pursuant to the provisions  
8 of the Administrative Review Law, as amended and the rules  
9 adopted pursuant thereto.

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

11 (20 ILCS 1605/26) (from Ch. 120, par. 1176)

12 Sec. 26. Severability of invalid provisions or  
13 applications. If any clause, sentence, paragraph, subdivision,  
14 Section, provision or other portion of this Act or the  
15 application thereof to any person or circumstances is held to  
16 be invalid, such holding shall not affect, impair or invalidate  
17 the remainder of this Act or the application of such portion  
18 held invalid to any other person or circumstances, but shall be  
19 confined in its operation to the clause, sentence, paragraph,  
20 subdivision, provision or other portion thereof directly  
21 involved in such holding or to the person and circumstances  
22 therein involved.

23 (Source: P.A. 78-3rd S.S.-20.)

1 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

2 Sec. 27. Contracts; investments; proceeds; Deferred  
3 Lottery Prize Winners Trust Fund; disbursements; State Lottery  
4 Fund; Lottery Concession Fund; Lottery Escrow Account.

5 (a) The State Treasurer may, with the consent of the  
6 Director, contract with any person or corporation, including,  
7 without limitation, a bank, banking house, trust company or  
8 investment banking firm, to perform such financial functions,  
9 activities or services in connection with operation of the  
10 lottery as the State Treasurer and the Director may prescribe.

11 (b) All proceeds from investments made pursuant to  
12 contracts executed by the State Treasurer, with the consent of  
13 the Director, to perform financial functions, activities or  
14 services in connection with operation of the lottery, shall be  
15 deposited and held by the State Treasurer as ex-officio  
16 custodian thereof, separate and apart from all public money or  
17 funds of this State in a special trust fund outside the State  
18 treasury. Such trust fund shall be known as the "Deferred  
19 Lottery Prize Winners Trust Fund", and shall be administered by  
20 the Director.

21 The Director shall, at such times and in such amounts as  
22 shall be necessary, prepare and send to the State Comptroller  
23 vouchers requesting payment from the Deferred Lottery Prize  
24 Winners Trust Fund to deferred prize winners, in a manner that  
25 will insure the timely payment of such amounts owed.

26 This Act shall constitute an irrevocable appropriation of



1 all amounts necessary for that purpose, and the irrevocable and  
2 continuing authority for and direction to the Director and the  
3 State Treasurer to make the necessary payments out of such  
4 trust fund for that purpose. In the event that the State shall  
5 enter into a Management and Concession Agreement, this Section  
6 27(b) shall not apply to any prizes awarded after the closing  
7 date of the Management and Concession Agreement.

8 (c) Moneys invested pursuant to subsection (a) of this  
9 Section may be invested only in bonds, notes, certificates of  
10 indebtedness, treasury bills, or other securities constituting  
11 direct obligations of the United States of America and all  
12 securities or obligations the prompt payment of principal and  
13 interest of which is guaranteed by a pledge of the full faith  
14 and credit of the United States of America. Interest earnings  
15 on moneys in the Deferred Lottery Prize Winners Trust Fund  
16 shall remain in such fund and be used to pay the winners of  
17 lottery prizes deferred as to payment until such obligations  
18 are discharged. Proceeds from bonds purchased and interest  
19 accumulated as a result of a grand prize multi-state game  
20 ticket that goes unclaimed will be transferred after the  
21 termination of the relevant claim period directly from the  
22 lottery's Deferred Lottery Prize Winners Trust Fund to each  
23 respective multi-state partner state according to its  
24 contribution ratio. All moneys invested pursuant to the terms  
25 of any Management and Concession Agreement into which the State  
26 may enter, shall be subject to the provisions of this

1 subsection.

2 (c-5) If a deferred lottery prize is not claimed within the  
3 claim period established by game rule, then the securities or  
4 other instruments purchased to fund the prize shall be  
5 liquidated and the liquidated amount shall be transferred to  
6 the State Lottery Fund for disposition pursuant to Section 19  
7 of this Act. In the event that the State shall enter into a  
8 Management and Concession Agreement, this Section 27(c-5)  
9 shall not apply to any prizes awarded after the closing date of  
10 the Management and Concession Agreement.

11 (c-10) The Director may use a portion of the moneys in the  
12 Deferred Lottery Prize Winners Trust Fund to purchase bonds to  
13 pay a lifetime prize if the prize duration exceeds the length  
14 of available securities. If the winner of a lifetime prize  
15 exceeds his or her life expectancy as determined using  
16 actuarial assumptions and the securities or moneys set aside to  
17 pay the prize have been exhausted, moneys in the State Lottery  
18 Fund shall be used to make payments to the winner for the  
19 duration of the winner's life. In the event that the State  
20 shall enter into a Management and Concession Agreement, this  
21 Section 27(c-10) shall not apply to any prizes awarded after  
22 the closing date of the Management and Concession Agreement.

23 (c-15) From time to time, the Director may request that the  
24 State Comptroller transfer any excess moneys in the Deferred  
25 Lottery Prize Winners Trust Fund to the Lottery Fund. In the  
26 event that the State shall enter into a Management and

1 Concession Agreement, this Section 27(c-15) shall not apply to  
2 any prizes awarded after the closing date of the Management and  
3 Concession Agreement.

4 (c-20) In the event that the State shall enter into a  
5 Management and Concession Agreement pursuant to which a  
6 Concessionaire is authorized to manage or operate the Lottery,  
7 there shall be created a fund to be known as the Lottery  
8 Concession Trust Fund, which shall be a special  
9 non-appropriated trust fund held outside of the State Treasury  
10 and separate and apart from all public money and funds of this  
11 State for the purpose of holding Concession revenues. All  
12 proceeds from the sale of Lottery tickets or shares and all  
13 other revenue from the State's conduct of the Lottery as  
14 authorized under this amendatory Act of the 95th General  
15 Assembly, including Lottery revenues a Concessionaire may be  
16 eligible to receive under a Management and Concession  
17 Agreement, with the exception of the initial consideration  
18 distributed pursuant to Section 2.2, shall be paid into the  
19 Fund. Within the Lottery Concession Trust Fund, there shall be  
20 created sub-trusts for the purpose of holding moneys for the  
21 exclusive benefit of the State and recipients of Prize Claims.

22 The Fund shall begin to receive lottery proceeds and  
23 revenues on the date that a Management and Concession Agreement  
24 first becomes effective, and moneys in the Fund shall not at  
25 any time during the term of such an agreement be appropriated  
26 or diverted to any other use or purpose. The Fund shall be held

1 by an Illinois trustee designated pursuant to the Concession  
2 and Management Agreement. All interest or other earnings  
3 accruing or received on amounts in the Fund shall be credited  
4 to and retained by the Fund. The Fund shall be held,  
5 administered, invested, and disbursed in accordance with the  
6 trust agreement and the Management and Concession Agreement.

7 (c-25) The State may, through and limited by a valid and  
8 enforceable Management and Concession Agreement, waive  
9 sovereign immunity with respect to some or all claims asserted  
10 by a Concessionaire relating to the Concession.

11 (d) This amendatory Act of 1985 shall be construed  
12 liberally to effect the purposes of the Illinois Lottery Law.  
13 (Source: P.A. 89-466, eff. 6-13-96; 90-346, eff. 8-8-97.)

14 Section 10. The State Finance Act is amended by adding  
15 Sections 5.715 and 5.716 as follows:

16 (30 ILCS 105/5.715 new)

17 Sec. 5.715. The Illinois Education Trust Fund.

18 (30 ILCS 105/5.716 new)

19 Sec. 5.716. The Illinois Works Fund.

20 Section 15. The Illinois Procurement Code is amended by  
21 changing Section 50-70 as follows:

1 (30 ILCS 500/50-70)

2 Sec. 50-70. Additional provisions. This Code is subject to  
3 applicable provisions of the following Acts:

4 (1) Article 33E of the Criminal Code of 1961;

5 (2) the Illinois Human Rights Act;

6 (3) the Discriminatory Club Act;

7 (4) the Illinois Governmental Ethics Act;

8 (5) the State Prompt Payment Act;

9 (6) the Public Officer Prohibited Activities Act;

10 (7) the Drug Free Workplace Act; ~~and~~

11 (8) the Illinois Power Agency Act; ~~and~~

12 (9) ~~(8)~~ the Employee Classification Act; and ~~and~~

13 (10) The Illinois Lottery Law.

14 (Source: P.A. 95-26, eff. 1-1-08; 95-481, eff. 8-28-07; revised  
15 11-2-07.)

16 Section 20. The Court of Claims Act is amended by changing  
17 Section 8 as follows:

18 (705 ILCS 505/8) (from Ch. 37, par. 439.8)

19 Sec. 8. Court of Claims jurisdiction. The court shall have  
20 exclusive jurisdiction to hear and determine the following  
21 matters:

22 (a) All claims against the State founded upon any law of  
23 the State of Illinois or upon any regulation adopted thereunder  
24 by an executive or administrative officer or agency; provided,

1 however, the court shall not have jurisdiction (i) to hear or  
2 determine claims arising under the Workers' Compensation Act or  
3 the Workers' Occupational Diseases Act, or claims for expenses  
4 in civil litigation, or (ii) to review administrative decisions  
5 for which a statute provides that review shall be in the  
6 circuit or appellate court.

7 (b) All claims against the State founded upon any contract  
8 entered into with the State of Illinois, except and to the  
9 extent provided by the Illinois Lottery Law.

10 (c) All claims against the State for time unjustly served  
11 in prisons of this State where the persons imprisoned shall  
12 receive a pardon from the governor stating that such pardon is  
13 issued on the ground of innocence of the crime for which they  
14 were imprisoned; provided, the court shall make no award in  
15 excess of the following amounts: for imprisonment of 5 years or  
16 less, not more than \$15,000; for imprisonment of 14 years or  
17 less but over 5 years, not more than \$30,000; for imprisonment  
18 of over 14 years, not more than \$35,000; and provided further,  
19 the court shall fix attorney's fees not to exceed 25% of the  
20 award granted. On December 31, 1996, the court shall make a  
21 one-time adjustment in the maximum awards authorized by this  
22 subsection (c), to reflect the increase in the cost of living  
23 from the year in which these maximum awards were last adjusted  
24 until 1996, but with no annual increment exceeding 5%.  
25 Thereafter, the court shall annually adjust the maximum awards  
26 authorized by this subsection (c) to reflect the increase, if

1 any, in the Consumer Price Index For All Urban Consumers for  
2 the previous calendar year, as determined by the United States  
3 Department of Labor, except that no annual increment may exceed  
4 5%. For both the one-time adjustment and the subsequent annual  
5 adjustments, if the Consumer Price Index decreases during a  
6 calendar year, there shall be no adjustment for that calendar  
7 year. The changes made by Public Act 89-689 apply to all claims  
8 filed on or after January 1, 1995 that are pending on December  
9 31, 1996 and all claims filed on or after December 31, 1996.

10 (d) All claims against the State for damages in cases  
11 sounding in tort, if a like cause of action would lie against a  
12 private person or corporation in a civil suit, and all like  
13 claims sounding in tort against the Medical Center Commission,  
14 the Board of Trustees of the University of Illinois, the Board  
15 of Trustees of Southern Illinois University, the Board of  
16 Trustees of Chicago State University, the Board of Trustees of  
17 Eastern Illinois University, the Board of Trustees of Governors  
18 State University, the Board of Trustees of Illinois State  
19 University, the Board of Trustees of Northeastern Illinois  
20 University, the Board of Trustees of Northern Illinois  
21 University, the Board of Trustees of Western Illinois  
22 University, or the Board of Trustees of the Illinois  
23 Mathematics and Science Academy; provided, that an award for  
24 damages in a case sounding in tort, other than certain cases  
25 involving the operation of a State vehicle described in this  
26 paragraph, shall not exceed the sum of \$100,000 to or for the

1 benefit of any claimant. The \$100,000 limit prescribed by this  
2 Section does not apply to an award of damages in any case  
3 sounding in tort arising out of the operation by a State  
4 employee of a vehicle owned, leased or controlled by the State.  
5 The defense that the State or the Medical Center Commission or  
6 the Board of Trustees of the University of Illinois, the Board  
7 of Trustees of Southern Illinois University, the Board of  
8 Trustees of Chicago State University, the Board of Trustees of  
9 Eastern Illinois University, the Board of Trustees of Governors  
10 State University, the Board of Trustees of Illinois State  
11 University, the Board of Trustees of Northeastern Illinois  
12 University, the Board of Trustees of Northern Illinois  
13 University, the Board of Trustees of Western Illinois  
14 University, or the Board of Trustees of the Illinois  
15 Mathematics and Science Academy is not liable for the  
16 negligence of its officers, agents, and employees in the course  
17 of their employment is not applicable to the hearing and  
18 determination of such claims.

19 (e) All claims for recoupment made by the State of Illinois  
20 against any claimant.

21 (f) All claims pursuant to the Line of Duty Compensation  
22 Act.

23 (g) All claims filed pursuant to the Crime Victims  
24 Compensation Act.

25 (h) All claims pursuant to the Illinois National  
26 Guardsman's Compensation Act.



1 (i) All claims authorized by subsection (a) of Section  
2 10-55 of the Illinois Administrative Procedure Act for the  
3 expenses incurred by a party in a contested case on the  
4 administrative level.

5 (Source: P.A. 93-1047, eff. 10-18-04.)

6 Section 25. The State Lawsuit Immunity Act is amended by  
7 changing Section 1 as follows:

8 (745 ILCS 5/1) (from Ch. 127, par. 801)

9 Sec. 1. Except as provided in the Illinois Public Labor  
10 Relations Act, the Court of Claims Act, the State Officials and  
11 Employees Ethics Act, ~~and~~ Section 1.5 of this Act, the Illinois  
12 Lottery Law, and, except as provided in and to the extent  
13 provided in the Clean Coal FutureGen for Illinois Act, the  
14 State of Illinois shall not be made a defendant or party in any  
15 court.

16 (Source: P.A. 95-18, eff. 7-30-07; 95-331, eff. 8-21-07;  
17 revised 11-30-07.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law."