



Rep. Kevin A. McCarthy

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LRB095 01066 HLH 51849 a

1 AMENDMENT TO HOUSE BILL 2093

2 AMENDMENT NO. _____. Amend House Bill 2093 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, with no less than \$5,000,000,000
21 delivered on the date the Management and Concession
22 Agreement becomes effective and the remaining amounts
23 delivered within 2 years thereafter.

24 (c) At least 19% of the value of all contracts and
25 agreements entered into by the Concessionaire for goods and
26 services in connection with its management and operation of

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

25 (d) The State shall at all times during which a
26 Management and Concession Agreement is in effect retain the

1 right to receive an amount equal to 20% of Lottery gross
2 revenues, after prize payouts.

3 (e) The minimum payout ratios with respect to instant
4 Lottery games and online Lottery games, as defined in the
5 Management and Concession Agreement, shall be in the
6 aggregate at least 55% of all ticket revenues attributable
7 to such instant Lottery games and online Lottery games.

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

16 (g) The State may cancel a Management and Concession
17 Agreement if the Concessionaire, or any executive employee
18 of the Concessionaire, is found guilty of any criminal
19 offense related to the conduct of its business or the
20 regulation thereof in any jurisdiction. An executive
21 employee shall be defined as the President, Chairman, Chief
22 Executive Officer, or other employee with executive
23 decision-making authority over the long-term and
24 day-to-day affairs of the Concessionaire, or an employee
25 whose compensation is determined directly, in whole or in
26 part, by the award of or payment pursuant to the Management

1 and Concession Agreement.

2 The Director is authorized to enter into a Management and
3 Concession Agreement on behalf of the State on the foregoing
4 terms and such other terms as the Director shall determine,
5 consistent with this amendatory Act of the 95th General
6 Assembly. All of the acts of officials authorized by the State
7 that are in conformity with the intent and purposes of this
8 amendatory Act of the 95th General Assembly, whether heretofore
9 or hereafter taken or done, shall be and are ratified,
10 confirmed, authorized, and approved hereby in all respects. To
11 the extent any provision of the Illinois Procurement Code (30
12 ILCS 500/) or any other law is in conflict with this amendatory
13 Act of the 95th General Assembly insofar as it relates to any
14 Transaction Documents, the provisions of this amendatory Act
15 shall be controlling.

16 The Director, and such State officers as may be designated
17 by the Director, are authorized to execute and deliver on
18 behalf of the State any and all documents as the executing
19 State officer shall deem appropriate in connection with the
20 State entering into or performing its obligations under the
21 Transaction Documents and to do all such other acts and things
22 as may be necessary, advisable, or appropriate to carry out,
23 and perform the State's obligations under the Transaction
24 Documents.

25 The Department of Revenue is authorized and empowered to
26 enter into a public/private partnership agreement with any

1 lessor of the State Lottery (the "Concessionaire"), whereby the
2 Department of Revenue employees may provide services for a fee
3 to the Concessionaire to assist the Concessionaire in the
4 administration and operation of the State Lottery. The
5 Concessionaire shall contract with the Department of Revenue
6 under a public/private partnership agreement for all work that,
7 if performed by employees of the State, would be performed by
8 employees, as defined by the Illinois Public Labor Relations
9 Act (IPLRA). The Department of Revenue shall be the employer of
10 all non-managerial, non-supervisory, and non-confidential
11 employees, as defined by the IPLRA, assigned to perform such
12 work for the Concessionaire pursuant to the public/private
13 partnership agreement, and such employees shall be State
14 employees, as defined by the Personnel Code. As employees of
15 the Department of Revenue, such employees shall have the same
16 employment rights and duties, and be subject to the same
17 employment policies, rules, regulations, and procedures, as
18 other employees of the Department of Revenue. Neither
19 historical representation rights under the IPLRA nor existing
20 collective bargaining agreements shall be disturbed by the sale
21 or lease of the State Lottery. Upon expiration of the
22 applicable collective bargaining agreement on or after June 30,
23 2012, the Concessionaire shall retain the employees performing
24 such work on the expiration date and shall recognize the
25 bargaining agent or agents and honor any existing agreement in
26 conformity with applicable law. During the pendency of a

1 collective bargaining agreement expiring on or after June 30,
2 2012, any employee assigned by the State to perform work for
3 the Concessionaire shall, upon written request to the Director
4 of Central Management Services, be offered employment, without
5 loss of pay or benefits with the State of Illinois, in the same
6 county in which the employee was assigned to perform such work.

7 (20 ILCS 1605/2.2 new)

8 Sec. 2.2. Proceeds of concession transaction and future
9 proceeds payable to the State under a Management and Concession
10 Agreement; payment of transaction costs; deposit of proceeds
11 into Funds. After the payment of all transaction-related costs,
12 in one or a series of transactions: (i) proceeds of the
13 Concession transaction or transactions authorized pursuant to
14 this amendatory Act of the 95th General Assembly deposited 70%
15 into the Illinois Works Fund and 30% into the Illinois
16 Education Trust Fund in an amount not to exceed
17 \$10,000,000,000, (ii) all proceeds of the Concession
18 transaction or transactions authorized pursuant to this
19 amendatory Act of the 95th General Assembly in excess of
20 \$10,000,000,000 but not greater than \$11,000,000,000 shall be
21 deposited into the Illinois Education Trust Fund, and (iii) all
22 proceeds of the Concession transaction or transactions
23 authorized pursuant to this amendatory Act of the 95th General
24 Assembly in excess of \$11,000,000,000 shall be deposited into
25 the Pension Stabilization Fund.

1 (20 ILCS 1605/2.3 new)

2 Sec. 2.3. Creation of the Illinois Education Trust Fund;
3 State Treasurer's investment of moneys. There is created in the
4 State Treasury the Illinois Education Trust Fund.
5 Notwithstanding any other statute to the contrary, the State
6 Treasurer is hereby authorized to and shall invest all moneys
7 deposited into the Illinois Education Trust Fund pursuant to
8 this amendatory Act of the 95th General Assembly, and the
9 Treasurer shall make all reasonable efforts to accrue the
10 highest attainable return on investment, using debt
11 instruments or securities that are either (i) issued by a
12 counterparty with a credit rating of Aa3 or higher by Moody's
13 Investor Services or AA- or higher by Standard & Poor's or (ii)
14 enhanced and bear a credit rating of Aa3 or higher by Moody's
15 Investor Services or AA- or higher by Standard & Poor's. Any
16 changes in the purposes or use of this Fund, or changes in the
17 revenues directed to this Fund, must be approved by a
18 three-fifths vote of the members of both the Senate and the
19 House of Representatives.

20 Notwithstanding any other State law to the contrary, on or
21 before the last day of each fiscal year the State Comptroller
22 shall direct and the State Treasurer shall transfer from the
23 Illinois Education Trust Fund to the State Lottery Fund the
24 amount necessary to provide for the transfer of \$600,000,000 in
25 that fiscal year from the State Lottery Fund to the Common

1 School Fund in accordance with the provisions of Section 20.2
2 of this Act.

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

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

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

7 b. "Board" means the Lottery Control Board created by this
8 Act.

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

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

11 e. "Chairman" means the Chairman of the Lottery Control
12 Board.

13 f. "Multi-state game directors" means such persons,
14 including the Superintendent, as may be designated by an
15 agreement between the Division and one or more additional
16 lotteries operated under the laws of another state or states.

17 g. "Division" means the Division of the State Lottery of
18 the Department of Revenue.

19 h. "Superintendent" means the Superintendent of the
20 Division of the State Lottery of the Department of Revenue.

21 i. "Concession" means the right of a Concessionaire to
22 manage or operate the Lottery pursuant to the terms of a
23 Management and Concession Agreement and this Act.

24 j. "Management and Concession Agreement" means that
25 agreement and all schedules, exhibits, and attachments

1 thereto, entered into pursuant to a competitive process and
2 pursuant to which the State may grant a license or other
3 contractual right to manage or operate the Lottery to a
4 Concessionaire, and further pursuant to which a Concessionaire
5 may receive certain Lottery ticket or share sales and related
6 proceeds in consideration of the payment of a fee or fees to
7 the State.

8 k. "Concessionaire" means a third party that manages or
9 operates the Lottery pursuant to a Management and Concession
10 Agreement then in effect.

11 l. "Conducted by the State" means the management and
12 operation of the Lottery pursuant to the terms of this Act,
13 whether directly by the State or by a Concessionaire pursuant
14 to the terms of a Management and Concession Agreement as
15 provided for in this amendatory Act of the 95th General
16 Assembly. The Concessionaire shall at all times remain
17 accountable to the State and the people of the State through a
18 comprehensive system of State regulation and enduring
19 operational oversight, which shall include, without
20 limitation, the Concessionaire's regular provision and the
21 State's ongoing review and analysis of audits, reports, and
22 financial disclosures as required by this amendatory Act of the
23 95th General Assembly.

24 m. "Transaction Documents" means all documents drafted,
25 prepared, or composed in connection with the Management and
26 Concession Agreement, including but not limited to all

1 documents reflecting or relating to any solicitation or
2 presolicitation activities the State may have undertaken
3 regarding a possible Concession.

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

5 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

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

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

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

15 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

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

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

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

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

8 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

9 Sec. 6. Lottery Control Board; creation; appointment;
10 chairman; terms; vacancies; removal; compensation; meetings;
11 quorum. There is hereby created an independent board to be
12 known as the Lottery Control Board, consisting of 5 members,
13 all of whom shall be citizens of the United States and
14 residents of this State and shall be appointed by the Governor
15 with the advice and consent of the Senate. No more than 3 of
16 the 5 members shall be members of the same political party. A
17 chairman of the Board shall be chosen annually from the
18 membership of the Board by a majority of the members of the
19 Board at the first meeting of the Board each fiscal year.

20 Initial members shall be appointed to the Board by the
21 Governor as follows: one member to serve until July 1, 1974,
22 and until his successor is appointed and qualified; 2 members
23 to serve until July 1, 1975, and until their successors are
24 appointed and qualified; 2 members to serve until July 1, 1976,
25 and until their successors are appointed and qualified. As

1 terms of members so appointed expire, their successors shall be
2 appointed for terms to expire the first day in July 3 years
3 thereafter, and until their successors are appointed and
4 qualified.

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

8 Any member of the Board may be removed by the Governor for
9 neglect of duty, misfeasance, malfeasance, or nonfeasance in
10 office.

11 Board members shall receive as compensation for their
12 services \$100 for each day they are in attendance at any
13 official board meeting, but in no event shall members receive
14 more than \$1,200 per year. They shall receive no other
15 compensation for their services, but shall be reimbursed for
16 necessary traveling and other reasonable expenses incurred in
17 the performance of their official duties. Each member shall
18 make a full financial disclosure upon appointment.

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

25 Three members of the Board shall constitute a quorum, and 3
26 votes shall be required for any final determination by the

1 Board. The Board shall keep a complete and accurate record of
2 all its meetings.

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

4 (20 ILCS 1605/6.1 new)

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

12 Beginning on June 1, 2008 or when all of the new members of
13 the Board to be initially appointed under this amendatory Act
14 of the 95th General Assembly have been appointed by the
15 Governor, whichever occurs later, the Board shall consist of 7
16 members, all of whom shall be citizens of the United States and
17 residents of this State and shall be appointed by the Governor
18 with the advice and consent of the Senate. No more than 4 of
19 the 7 members shall be members of the same political party. A
20 chairman of the Board shall be chosen annually from the
21 membership of the Board by a majority of the members of the
22 Board at the first meeting of the Board each fiscal year.

23 Members shall be appointed to the Board by the Governor as
24 follows: 2 members to serve until July 1, 2009, and until their
25 successors are appointed and qualified; 2 members to serve

1 until July 1, 2010, and until their successors are appointed
2 and qualified; 3 members to serve until July 1, 2011, and until
3 their successors are appointed and qualified. As terms of
4 members so appointed expire, their successors shall be
5 appointed for terms to expire the first day in July 3 years
6 thereafter, and until their successors are appointed and
7 qualified. Members of the Board serving prior to the effective
8 date of this amendatory Act of the 95th General Assembly shall
9 be discharged of their duties and replaced by members appointed
10 pursuant to this Section in the sequence in which those prior
11 serving members were appointed.

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

15 Any member of the Board may be removed by the Governor for
16 neglect of duty, misfeasance, malfeasance, or nonfeasance in
17 office.

18 Board members shall receive as compensation for their
19 services \$250 for each day they are in attendance at any
20 official board meeting, but in no event shall members receive
21 more than \$3,000 per year. They shall receive no other
22 compensation for their services, but shall be reimbursed for
23 necessary traveling and other reasonable expenses incurred in
24 the performance of their official duties. All such compensation
25 and reimbursement shall be paid from proceeds of the
26 Concession.

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

7 Four members of the Board shall constitute a quorum, and 4
8 votes shall be required for any final determination by the
9 Board. The Board shall keep a complete and accurate record of
10 all its meetings.

11 The Board shall have general responsibility for the
12 implementation of this Act and the oversight and implementation
13 of any Management and Concession Agreement. The Board shall
14 have jurisdiction and oversight over all Lottery and Concession
15 operations governed by this Act and shall have all powers
16 necessary and proper to fully and effectively execute the
17 provisions of this Act. Its duties include, without limitation,
18 the following:

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

21 (2) to promulgate such rules and regulations as in its
22 judgment may be necessary to protect or enhance the
23 credibility and integrity of the Lottery and enforce the
24 provisions of the Management and Concession Agreement
25 authorized by this Act and the regulatory process under
26 this Act;

1 (3) to be present through its inspectors and agents any
2 time Lottery operations are conducted pursuant to this Act
3 or the Management and Concession Agreement for the purpose
4 of determining compliance therewith, receiving complaints
5 from the public, and conducting such other investigations
6 into the conduct of Lottery games and operations and the
7 maintenance of all Lottery equipment as from time to time
8 the Board may deem necessary and proper;

9 (4) to implement and administer the Concession and
10 Management Agreement, including, without limitation, the
11 supervision and administration of the operation of the
12 Lottery in accordance with this Act, the rules and
13 regulations of the Board adopted hereunder, and the terms
14 of the Management and Concession Agreement;

15 (5) to investigate parties providing Concession and
16 Lottery-related services;

17 (6) to review all contracts entered into by the
18 Concessionaire of the Management and Concession Agreement
19 for the purpose of implementing and executing the
20 Management and Concession Agreement; and to review and
21 approve all contracts entered into by the Concessionaire,
22 directly or indirectly, for the purpose of implementing and
23 executing the Management and Concession Agreement, with an
24 aggregate amount of \$50,000 or more or for a term to exceed
25 365 days;

26 (7) to have jurisdiction and supervision over all

1 Lottery and Concession operations;

2 (8) to promulgate rules and regulations for the purpose
3 of administering the provisions of this Act and the
4 Management and Concession Agreement and to prescribe
5 rules, regulations, and conditions under which the Lottery
6 shall be conducted; those rules and regulations are to
7 provide for the prevention of practices detrimental to the
8 public interest and for the best interests of citizens of
9 the State, including rules and regulations regarding
10 inspection;

11 (9) to enter the office, facilities, or other places of
12 business of a Concessionaire, where evidence of the
13 compliance or noncompliance with the provisions of this Act
14 or the Management and Concession Agreement is likely to be
15 found;

16 (10) to investigate alleged violations of this Act or
17 the rules of the Board and to take appropriate disciplinary
18 action against a Concessionaire and its contractors and
19 licensees for a violation, or institute appropriate legal
20 action for enforcement, or both;

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

23 (12) to require that records, including financial or
24 other statements of any Concessionaire, manager, or
25 operator under this Act, shall be kept in such manner as
26 prescribed by the Board and that any such Concessionaire,

1 manager, or operator regularly submit to the Board a
2 balance sheet and profit and loss statement, list of the
3 stockholders or other persons having a beneficial interest
4 in such amounts as may be determined by the Board, and any
5 other information the Board deems necessary in order to
6 effectively administer this Act and all rules,
7 regulations, orders, and final decisions promulgated under
8 this Act;

9 (13) to conduct hearings, issue subpoenas for the
10 attendance of witnesses and subpoenas duces tecum for the
11 production of books, records, and other pertinent
12 documents in accordance with the Illinois Administrative
13 Procedure Act, and to administer oaths and affirmations to
14 the witnesses, when, in the judgment of the Board, it is
15 necessary to administer or enforce this Act or the Board
16 rules;

17 (14) to hire employees to gather information, conduct
18 investigations, and carry out any other tasks contemplated
19 under this Act;

20 (15) to delegate the execution of any of its powers
21 under this Act for the purpose of administering and
22 enforcing this Act and its rules and regulations; and

23 (16) to take any other action as may be reasonable or
24 appropriate to enforce this Act and its rules and
25 regulations.

26 The Board may seek and shall receive the cooperation of the

1 Department of State Police in conducting background
2 investigations of parties and in fulfilling its
3 responsibilities under this Section. Costs incurred by the
4 Department of State Police as a result of that cooperation
5 shall be paid by the Board in conformance with the requirements
6 of Section 2605-400 of the Department of State Police Law.

7 In the event that the State shall enter into a Management
8 and Concession Agreement, the Board may instruct the
9 Superintendent, on behalf of the Concessionaire, to enter into
10 an agreement or agreements with the management of state
11 lotteries operated pursuant to the laws of other states for the
12 purpose of creating and operating a multi-state lottery game
13 wherein a separate and distinct prize pool would be combined to
14 award larger prizes to the public than could be offered by the
15 several state lotteries individually. In the event that the
16 State shall enter into a Management and Concession Agreement,
17 no tickets or shares offered in connection with a multi-state
18 lottery game shall be sold within the State, except those
19 offered by the Concessionaire pursuant to the terms of the
20 Management and Concession Agreement and this amendatory Act of
21 the 95th General Assembly. No such agreement shall purport to
22 pledge the full faith and credit of the State of Illinois. No
23 multi-state game prize awarded to a nonresident of Illinois,
24 with respect to a ticket or share purchased in a state other
25 than the State of Illinois, shall be deemed to be a prize
26 awarded under this Act for the purpose of taxation under the

1 Illinois Income Tax Act.

2 (20 ILCS 1605/6.2 new)

3 Sec. 6.2. Ethics provisions.

4 (a) Conflict of interest. Board members and employees may
5 not engage in communications or any activity that may cause or
6 have the appearance of causing a conflict of interest. A
7 conflict of interest exists if a situation influences or
8 creates the appearance that it may influence judgment or
9 performance of regulatory duties and responsibilities. This
10 prohibition shall extend to any act identified by Board action
11 that, in the judgment of the Board, could represent the
12 potential for or the appearance of a conflict of interest.

13 (b) No State constitutional officer or member of the
14 General Assembly nor an entity from which the State
15 constitutional officer or member of the General Assembly
16 receives compensation may own a direct interest in the
17 Concessionaire or any entity that owns, is owned by, or is
18 under common control with the Concessionaire during any term of
19 office or for a period of 5 years after the State
20 constitutional officer or member of the General Assembly leaves
21 office. The holding or acquisition of an interest in such
22 entities through indirect means, such as through a mutual fund,
23 shall not be prohibited. For purposes of this subsection (b),
24 "State constitutional officer or member of the General
25 Assembly" includes the spouse or minor child of the State

1 constitutional officer or member of the General Assembly. A
2 violation of this subsection (b) is a Class 4 felony.

3 (c) Financial interest. Board members and employees may not
4 have a financial interest, directly or indirectly, in his or
5 her own name or in the name of any other person, partnership,
6 association, trust, corporation, or other entity, in any
7 contract or subcontract for the performance of any work for the
8 Board or for the Concessionaire. This prohibition shall extend
9 to the holding or acquisition of an interest in any entity
10 identified by Board action that, in the judgment of the Board,
11 could represent the potential for or the appearance of a
12 financial interest. The holding or acquisition of an interest
13 in such entities through an indirect means, such as through a
14 mutual fund, shall not be prohibited.

15 (d) Outside employment. A Board member or an employee may
16 not, within a period of 5 years immediately after termination
17 of employment, knowingly accept employment or receive
18 compensation or fees for services from a person or entity, or
19 its parent or affiliate, that has engaged in business with the
20 Board that resulted in contracts with an aggregate value of at
21 least \$25,000 or if that Board member, employee, or the
22 Director has made a decision that directly applied to the
23 person or entity, or its parent or affiliate. Board members and
24 employees shall not hold or pursue any employment, office,
25 position, business, or occupation that conflicts with his or
26 her official duties.

1 (e) Gift ban. Board members and employees may not accept
2 any gift, gratuity, service, compensation, travel, lodging, or
3 thing of value, with the exception of unsolicited items of an
4 incidental nature, from any person, corporation or entity doing
5 business with the Board.

6 (f) Abuse of Position. A Board member or employee shall not
7 use or attempt to use his or her official position to secure,
8 or attempt to secure, any privilege, advantage, favor, or
9 influence for himself or herself or others. No Board member or
10 employee may attempt, in any way, to influence any person or
11 corporation doing business with the Board or any officer,
12 agent, or employee thereof to hire or contract with any person
13 or corporation for any compensated work.

14 (g) Political Activity. Board members and employees shall
15 not engage in any political activity. For the purposes of this
16 subsection, "political activity" means any activity in support
17 of or in connection with any campaign for State or local
18 elective office or any political organization, but does not
19 include activities (i) relating to the support or opposition of
20 any executive, legislative, or administrative action (as those
21 terms are defined in Section 2 of the Lobbyist Registration
22 Act), (ii) relating to collective bargaining, or (iii) that are
23 otherwise in furtherance of the person's official State duties
24 or governmental and public service functions.

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

1 (1) Have a financial interest, directly or indirectly,
2 in his or her own name or in the name of any other person,
3 partnership, association, trust, corporation, or other
4 entity, in any contract or subcontract for the performance
5 of any work for the Board or the Concessionaire. This
6 prohibition shall extend to the holding or acquisition of
7 an interest in any entity identified by Board action that,
8 in the judgment of the Board, could represent the potential
9 for or the appearance of a conflict of interest. The
10 holding or acquisition of an interest in such entities
11 through an indirect means, such as through a mutual fund,
12 shall not be prohibited.

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

17 (3) Within a period of 2 years immediately after
18 termination of employment, knowingly accept employment or
19 receive compensation or fees for services from a person or
20 entity, or its parent or affiliate, that has engaged in
21 business with the Board that resulted in contracts with an
22 aggregate value of at least \$25,000 or if the Board has
23 made a decision that directly applied to the person or
24 entity, or its parent or affiliate.

25 (i) Any Board member or employee or spouse, child, or
26 parent of a Board member or employee who violates any provision

1 of this Section is guilty of a Class 4 felony.

2 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

3 Sec. 7.1. Rules and regulations. The Department ~~may shall~~
4 promulgate such rules and regulations governing the
5 establishment and operation of a State lottery as it deems
6 necessary to carry out the purposes of this Act. Such rules and
7 regulations shall be subject to the provisions of The Illinois
8 Administrative Procedure Act. If the State enters into a
9 Management and Concession Agreement pursuant to which a
10 Concessionaire is authorized to manage or operate the Lottery,
11 the Board shall assume the Department's authorities and
12 discharge the Department's duties under this Section and
13 Section 7.2 of this Act. The Division ~~may shall~~ issue written
14 game rules, play instructions, directives, operations manuals,
15 brochures, or any other publications necessary to conduct
16 specific games, as authorized by rule by the Department. Any
17 written game rules, play instructions, directives, operations
18 manuals, brochures, or other game publications issued by the
19 Division that relate to a specific lottery game shall be
20 maintained as a public record in the Division's principal
21 office, and made available for public inspection and copying
22 but shall be exempt from the rulemaking procedures of the
23 Illinois Administrative Procedure Act. However, when such
24 written materials contain any policy of general applicability,
25 the Division shall formulate and adopt such policy as a rule in

1 accordance with the provisions of the Illinois Administrative
2 Procedure Act. In addition, the Division shall publish each
3 January in the Illinois Register a list of all game-specific
4 rules, play instructions, directives, operations manuals,
5 brochures, or other game-specific publications issued by the
6 Division during the previous year, if any, and instructions
7 concerning how the public may obtain copies of these materials
8 from the Division. In the event that the State enters into a
9 Management and Concession Agreement, the Concessionaire shall
10 be permitted to offer lottery games in accordance with the
11 provisions of this Act, the rules and regulations of the Board
12 adopted hereunder, and the terms of the Management and
13 Concession Agreement.

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

15 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

16 Sec. 7.2. Matters included in rules and regulations. The
17 rules and regulations of the Department or, if the State enters
18 into a Management and Concession Agreement pursuant to which a
19 Concessionaire is authorized to manage or operate the lottery,
20 the Board may include, but shall not be limited to, the
21 following:

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

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

25 (3) The numbers and sizes of the prizes on the winning

1 tickets or shares.†

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

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

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

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

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

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

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

1 (11) Such other matters necessary or desirable for the
2 efficient and economical operation and administration of the
3 lottery or for the implementation and oversight of any
4 Management and Concession Agreement pursuant to which a
5 Concessionaire is authorized to manage or operate the Lottery
6 and for the convenience of the purchasers of tickets or shares
7 and the holders of winning tickets or shares.

8 ~~Any rules and regulations of the Department with respect to~~
9 ~~monthly transfers to the Common School Fund are subject to~~
10 ~~Section 21.2.~~

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

12 (20 ILCS 1605/7.3) (from Ch. 120, par. 1157.3)

13 Sec. 7.3. Hearings on violations; other hearings. The Board
14 shall designate Hearing Officers who shall conduct hearings
15 upon complaints charging violations of this Act or of
16 regulations thereunder, and such other hearings as may be
17 provided by Department rule. The Board may hear appeals from
18 the recommended decisions of its Hearing Officers in accordance
19 with procedures established by Department rule. Whenever the
20 Department issues a Notice of Assessment under Section 21 of
21 this Act, the lottery sales agent may protest such Notice by
22 filing a request for hearing within 20 days of the date of such
23 Notice.

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

1 (20 ILCS 1605/7.4) (from Ch. 120, par. 1157.4)

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

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

21 (20 ILCS 1605/7.5) (from Ch. 120, par. 1157.5)

22 Sec. 7.5. Reports on matters requiring changes in law. The
23 Board shall report to the Governor, the Attorney General, the
24 Speaker of the House, the President of the Senate, the minority
25 leaders of both houses, and such other State officers as from

1 time to time it deems appropriate, any matters which it deems
2 to require an immediate change in the laws of this State in
3 order to prevent abuses and evasions of this Act or rules and
4 regulations promulgated thereunder or to rectify undesirable
5 conditions in connection with the administration or operation
6 of the lottery.

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

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

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

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

17 (20 ILCS 1605/7.8) (from Ch. 120, par. 1157.8)

18 Sec. 7.8. Annual report; report as public report. The
19 Department, or, if the State enters into a Management and
20 Concession Agreement pursuant to which a Concessionaire is
21 authorized to manage or operate the Lottery, the Board shall
22 make an annual report regarding the work of the Board to the
23 Governor, the Speaker of the House, the President of the
24 Senate, and the minority leaders of both houses, such report to

1 be a public report.

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

3 (20 ILCS 1605/7.8a) (from Ch. 120, par. 1157.8a)

4 Sec. 7.8a. Advertising policy. The Board shall establish
5 advertising policy to ensure that advertising content and
6 practices do not target with the intent to exploit specific
7 groups or economic classes of people, and that its content is
8 accurate and not misleading. The Board shall review, at least
9 quarterly, all past advertising and proposed concepts for major
10 media campaigns to ensure that they do not target with the
11 intent to exploit specific groups or economic classes of
12 people, and that their content is accurate and not misleading.
13 If the Board finds that advertising conflicts with such policy,
14 it shall have the authority to direct the Department to cease
15 that advertising. If the State enters into a Management and
16 Concession Agreement pursuant to which a Concessionaire is
17 authorized to manage or operate the Lottery and the
18 Concessionaire has the right to undertake marketing and
19 advertising activities, the Concessionaire shall submit, for
20 the Board's review of content and determination of compliance
21 with this Section, all marketing and advertising materials
22 pursuant to such rules and policies as the Board may promulgate
23 from time to time. If the Board finds that action proposed or
24 taken by the Concessionaire conflicts with those rules or
25 policies, the Board shall have the authority to direct the

1 Concessionaire to cease or refrain from taking that action.

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

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

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

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

17 (20 ILCS 1605/8) (from Ch. 120, par. 1158)

18 Sec. 8. Compelling appearance of witnesses and production
19 of documents; oaths and affirmations; dispositions. In
20 connection with any hearing held pursuant to Section 6.1 or 7.3
21 of this Act, the Board, or any Hearing Officer appointed by the
22 Board, may subpoena and compel the appearance of witnesses and
23 production of documents, papers, books, records and other
24 evidence before it in any matter over which it has

1 jurisdiction, control or supervision. The Board, or any
2 appointed Hearing Officer, shall have the power to administer
3 oaths and affirmations to persons whose testimony is required.
4 If a person subpoenaed to attend in any such proceeding or
5 hearing fails to obey the command of the subpoena without
6 reasonable cause, or if a person in attendance in any such
7 proceeding or hearing refuses, without lawful cause, to be
8 examined or to answer a legal or pertinent question or to
9 exhibit any books, account, record or other document when
10 ordered so to do by the Board or its Hearing Officer, the Board
11 or Hearing Officer may apply to the circuit court, upon proof
12 by affidavit of the facts, for an order returnable in not less
13 than 2 nor more than 10 days, or as the court may prescribe,
14 directing such person to show cause before the court why he or
15 she should not comply with such subpoena or such order.

16 Upon return of the order, the court shall examine such
17 person under oath, and if the court determines, after giving
18 such person an opportunity to be heard, that he or she refused
19 without legal excuse to comply with such subpoena or such order
20 of the Board or Hearing Officer, the court may order such
21 person to comply therewith immediately and any failure to obey
22 the order of the court may be punished as a contempt of court.

23 All subpoenas and subpoenas duces tecum issued under the
24 provisions of this Act may be served by any person of lawful
25 age. The fees of witnesses for attendance and travel shall be
26 the same as the fees of witnesses before the circuit courts of

1 this State. When the witness is subpoenaed at the instance of
2 the Department or any officer or employee thereof, such fees
3 shall be paid in the same manner as other expenses of the
4 Department. When the witness is subpoenaed at the instance of
5 any other party to any such proceeding, the Department may
6 require that the cost of service of the subpoena or subpoena
7 duces tecum and the fee of the witness be borne by the party at
8 whose instance the witness is summoned. In such case, and on
9 motion of the Department, the Board or its Hearing Officer may
10 require a deposit to cover the cost of such service and witness
11 fees.

12 The Department, or any officer or employee thereof, or any
13 other party to a hearing before the Board or its Hearing
14 Officers, may cause the depositions of witnesses within the
15 State to be taken in the manner prescribed by law for like
16 depositions in civil actions in courts of this State, and to
17 that end compel the attendance of witnesses and the production
18 of books, papers, records or memoranda.

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

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

21 Sec. 8.1. Contracts; competitive negotiation. Contracts
22 for State Lottery tickets or shares or for other State Lottery
23 game related services shall be obtained through the utilization
24 of competitive negotiation procedures whenever practicable.

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

1 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

2 Sec. 9. Duties of Superintendent. The Superintendent, as
3 administrative head of the Division, shall direct and supervise
4 all its administrative and technical activities and shall
5 report to the Director. In addition to the duties imposed upon
6 him elsewhere in this Act, it shall be the Superintendent's
7 duty:

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

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

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

23 d. To license, in accordance with the provisions of
24 Sections 10 and 10.1 of this Act and the rules and regulations
25 of the Department adopted thereunder, or to ensure the

1 retention, pursuant to the terms of a Management and Concession
2 Agreement, as agents to sell lottery tickets such persons as in
3 his opinion will best serve the public convenience and promote
4 the sale of tickets or shares. ~~The Superintendent may require a~~
5 ~~bond from every licensed agent, in such amount as provided in~~
6 ~~the rules and regulations of the Department.~~ Every licensed
7 agent shall prominently display his license, or a copy thereof,
8 as provided in the rules and regulations of the Department.

9 e. To suspend or revoke any license issued pursuant to this
10 Act or the rules and regulations promulgated by the Department
11 thereunder.

12 f. To confer regularly as necessary or desirable and not
13 less than once every month with the Lottery Control Board on
14 the operation and administration of the Lottery; to make
15 available for inspection by the Board or any member of the
16 Board, upon request, all books, records, files, and other
17 information and documents of his office; to advise the Board
18 and recommend such rules and regulations and such other matters
19 as he deems necessary and advisable to improve the operation
20 and administration of the lottery or the implementation and
21 oversight of a Management and Concession Agreement.

22 g. To enter into contracts for the operation of the
23 lottery, or any part thereof, ~~and into contracts for the~~
24 ~~promotion of the lottery on behalf of the Department~~ with any
25 person, firm or corporation, to perform any of the functions
26 provided for in this Act or the rules and regulations

1 promulgated thereunder. The Department shall not expend State
2 funds on a contractual basis for such functions unless those
3 functions and expenditures are expressly authorized by the
4 General Assembly.

5 h. To enter into a Management and Concession Agreement that
6 authorizes a Concessionaire to enter into an agreement or
7 agreements with the management of state lotteries operated
8 pursuant to the laws of other states for the purpose of
9 creating and operating a multi-state lottery game wherein a
10 separate and distinct prize pool would be combined to award
11 larger prizes to the public than could be offered by the
12 several state lotteries, individually or, if the State enters
13 into a Management and Concession Agreement pursuant to which a
14 Concessionaire is authorized to manage or operate the Lottery,
15 to authorize the Concessionaire to take such action. No tickets
16 or shares offered in connection with a multi-state lottery game
17 shall be sold within the State of Illinois, except those
18 offered by and through the Department or, if the State enters
19 into a Management and Concession Agreement pursuant to which a
20 Concessionaire is authorized to manage or operate the Lottery,
21 by the Concessionaire pursuant to the terms of the Management
22 and Concession Agreement and this amendatory Act of the 95th
23 General Assembly. No such agreement shall purport to pledge the
24 full faith and credit of the State of Illinois, nor shall the
25 Department expend State funds on a contractual basis in
26 connection with any such game unless such expenditures are

1 expressly authorized by the General Assembly, provided,
2 however, that in the event of error or omission by the Illinois
3 State Lottery in the conduct of the game, as determined by the
4 multi-state game directors, except as may be and to the extent
5 modified by the terms of a Management and Concession Agreement,
6 the Department shall be authorized to pay a prize winner or
7 winners the lesser of a disputed prize or \$1,000,000, any such
8 payment to be made solely from funds appropriated for game
9 prize purposes. Except as may be and to the extent modified by
10 the terms of a Management and Concession Agreement, the ~~The~~
11 Department shall be authorized to share in the ordinary
12 operating expenses of any such multi-state lottery game, from
13 funds appropriated by the General Assembly, and in the event
14 the multi-state game control offices are physically located
15 within the State of Illinois, the Department is authorized to
16 advance start-up operating costs not to exceed \$150,000,
17 subject to proportionate reimbursement of such costs by the
18 other participating state lotteries. The Department shall be
19 authorized to share proportionately in the costs of
20 establishing a liability reserve fund from funds appropriated
21 by the General Assembly. The Department is authorized to
22 transfer prize award funds attributable to Illinois sales of
23 multi-state lottery game tickets to the multi-state control
24 office, or its designated depository, for deposit to such game
25 pool account or accounts as may be established by the
26 multi-state game directors, the records of which account or

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

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

22 j. To report monthly to the State Treasurer and the Lottery
23 Control Board a full and complete statement of lottery
24 revenues, ~~prize disbursements~~ and other expenses for each
25 quarter month and the amounts to be transferred to ~~the Common~~
26 ~~School Fund pursuant to Section 7.2~~ or such other funds as are

1 ~~otherwise~~ authorized by ~~Section 21.2~~ of this Act, and to make
2 an annual report, which shall include a full and complete
3 statement of lottery or concession revenues, ~~prize~~
4 ~~disbursements~~ and ~~other~~ expenses, to the Governor and the
5 Board. All reports required by this subsection shall be public
6 and copies of all such reports shall be sent to the Speaker of
7 the House, the President of the Senate, and the minority
8 leaders of both houses.

9 k. In the event that the State shall enter into a
10 Management and Concession Agreement, it shall be the duty of
11 the Superintendent, together with the Board, to supervise and
12 administer the operations of the lottery in accordance with the
13 provisions of this Act, the rules and regulations of the Board
14 adopted hereunder, and the terms of the Management and
15 Concession Agreement.

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

17 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

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

1 Before issuing such license the Superintendent shall
2 consider (a) the financial responsibility and security of the
3 person and his business or activity, (b) the accessibility of
4 his place of business or activity to the public, (c) the
5 sufficiency of existing licenses to serve the public
6 convenience, (d) the volume of expected sales, and (e) such
7 other factors as he or she may deem appropriate.

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

1 delivery of tickets prior to September 1, 1987.

2 All licenses issued by the Division under this Act shall be
3 valid for a period not to exceed 2 years after issuance unless
4 sooner revoked, canceled or suspended as in this Act provided.
5 No license issued under this Act shall be transferable or
6 assignable. Such license shall be conspicuously displayed in
7 the place of business conducted by the licensee in Illinois
8 where lottery tickets or shares are to be sold under such
9 license.

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

19 If the State enters into a Management and Concession
20 Agreement pursuant to which the State authorizes a
21 Concessionaire to retain agents to distribute lottery tickets,
22 the Division shall cease issuing licenses to agents to sell
23 lottery tickets or shares during the term of the Management and
24 Concession Agreement. In retaining such agents, the
25 Concessionaire shall apply appropriate criteria in determining
26 suitability of those agents, including without limitation,

1 criteria establishing the ineligibility for a license as set
2 forth in Section 10.1 of this Act. Further, the Concessionaire
3 shall provide to the Department, not less than monthly, a list
4 of all agents the Concessionaire has engaged to distribute
5 lottery tickets or shares, which statement shall include a
6 certification that all such agents comply with the eligibility
7 standards set forth in this Act.

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

9 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

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

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

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

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

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

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

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

25 (g) any organization in which a person defined in (a), (b),

1 (c), (d) or (e) is an officer, director, or managing agent,
2 whether compensated or not;

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

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

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

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

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

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

21 The Division may revoke, without notice or a hearing, the
22 license of any agent who violates this Act or any rule or
23 regulation promulgated pursuant to this Act. If the State
24 enters into a Management and Concession Agreement pursuant to
25 which the State authorizes a Concessionaire to engage any sales
26 agent, the Division shall retain the power to revoke any such

1 agency pursuant to the provisions of this Act. However, if the
2 Division does revoke a license without notice and an
3 opportunity for a hearing, the Division shall, by appropriate
4 notice, afford the person whose license has been revoked an
5 opportunity for a hearing within 30 days after the revocation
6 order has been issued. As a result of any such hearing, the
7 Division may confirm its action in revoking the license, or it
8 may order the restoration of such license.

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

10 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

11 Sec. 10.1a. Failure to satisfy tax Act requirements. In
12 addition to other grounds specified in this Act, the Division
13 shall refuse to issue and shall suspend the license of any
14 lottery sales agency who fails to file a return, or to pay the
15 tax, penalty or interest shown in a filed return, or to pay any
16 final assessment of tax, penalty or interest, as required by
17 any tax Act administered by the Department, until such time as
18 the requirements of any such tax Act are satisfied, unless the
19 agency is contesting, in accordance with the procedures
20 established by the appropriate revenue Act, its liability for
21 the tax or the amount of tax. If the State enters into a
22 Management and Concession Agreement pursuant to which the State
23 authorizes a Concessionaire to engage any sales agent, the
24 Division may direct the Concessionaire to refrain from engaging
25 or to suspend the engagement of any party acting or seeking to

1 act as a sales agent. The Division shall affirmatively verify
2 the tax status of every sales agency before issuing or renewing
3 a license, except that, if the State enters into a Management
4 and Concession Agreement pursuant to which the State authorizes
5 a Concessionaire to engage any sales agent, the Division shall
6 verify the tax status of each agent from the list of agents
7 provided by the Concessionaire pursuant to Section 10 of this
8 Act. For purposes of this Section, a sales agency shall not be
9 considered delinquent in the payment of a tax if the agency (a)
10 has entered into an agreement with the Department for the
11 payment of all such taxes that are due and (b) is in compliance
12 with the agreement.

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

14 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

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

1 these fees. No Concessionaire that may retain sales agents for
2 the Lottery pursuant to the terms of a Management and
3 Concession Agreement may assess any fee pursuant this Section.

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

5 (20 ILCS 1605/10.3) (from Ch. 120, par. 1160.3)

6 Sec. 10.3. Proceeds received by sales agent. All proceeds
7 from the sale of lottery tickets or shares received by a person
8 in the capacity of a sales agent shall constitute a trust fund
9 until paid to the Department either directly, or through the
10 Department's authorized collection representative. Proceeds
11 shall include unsold instant tickets received by a sales agent
12 and cash proceeds of sale of any lottery products, net of
13 allowable sales commissions and credit for lottery prizes paid
14 to winners by sales agents. Sales proceeds and unsold instant
15 tickets shall be delivered to the Department or its authorized
16 collection representative upon demand. Sales agents shall be
17 personally liable for all proceeds which shall be kept separate
18 and apart from all other funds and assets and shall not be
19 commingled with any other funds or assets. In the case of a
20 sales agent who is not an individual, personal liability shall
21 attach to the owners and officers of the sales agent. The
22 Department shall have a right to file a lien upon all real and
23 personal property of any person who is personally liable under
24 this Section for any unpaid proceeds, which were to be
25 segregated as a trust fund under this Section, at any time

1 after such payment was to have been made. Such lien shall
2 include any interest and penalty provided for by this Act and
3 shall be deemed equivalent to, and have the same effect as, the
4 State tax lien under the Retailers' Occupation Tax Act. The
5 term "person" as used in this Section, and in Section 10.4 of
6 this Act, shall have the same meaning as provided in Section 10
7 of this Act. This Section, and Sections 10.4 and 10.5 of this
8 Act shall apply with respect to all lottery tickets or shares
9 generated by computer terminal, other electronic device, and
10 any other tickets delivered to sales agents on and after
11 September 1, 1987. If the State enters into a Management and
12 Concession Agreement pursuant to which a Concessionaire is
13 authorized to manage or operate the Lottery: (i) the
14 Concessionaire may be the Department's authorized collection
15 representative; and (ii) no such arrangement shall diminish the
16 Department's rights pursuant to this Section. For purposes of
17 this Section, "sales agent" includes any sales agent engaged by
18 a Concessionaire pursuant to the terms of a Management and
19 Concession Agreement.

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

21 (20 ILCS 1605/10.4) (from Ch. 120, par. 1160.4)

22 Sec. 10.4. Proceeds received by sales agent; violations.
23 Every person who shall violate the provisions of Section 10.3,
24 or who does not segregate and keep separate and apart from all
25 other funds and assets, all proceeds from the sale of lottery

1 tickets received by a person in the capacity of a sales agent,
2 shall upon conviction thereof be guilty of a Class 4 felony.
3 The provisions of this Section shall be enforced by the
4 Illinois Department of State Police and prosecuted by the
5 Attorney General.

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

7 (20 ILCS 1605/10.5) (from Ch. 120, par. 1160.5)

8 Sec. 10.5. Sales agent; insolvency. Whenever any person who
9 receives proceeds from the sale of lottery tickets in the
10 capacity of sales agent becomes insolvent, or dies insolvent,
11 the proceeds due the Department from such person or his estate
12 shall have preference over all debts or demands, except as
13 follows:

14 (a) Amounts due for necessary funeral expenses;

15 (b) Amounts due for medical care and medicine during his
16 most recent illness preceding death;

17 (c) Debts due to the United States;

18 (d) Debts due to the State of Illinois and all State and
19 local taxes; and

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

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

2 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

3 Sec. 10.6. Odds of winning. The Division shall make an
4 effort to more directly inform players of the odds of winning
5 prizes. This effort shall include, at a minimum, that the
6 Division require all ticket agents to display a placard stating
7 the odds of winning for each game offered by that agent. In the
8 event that the State shall enter into a Management and
9 Concession Agreement, the Division shall be relieved of its
10 duties under this Section 10.6 and the Concessionaire shall be
11 obligated to comply with the requirements of this Section 10.6.
12 (Source: P.A. 94-776, eff. 5-19-06.)

13 (20 ILCS 1605/10.7)

14 Sec. 10.7. Compulsive gambling.

15 (a) Each lottery sales agent shall post a statement
16 regarding obtaining assistance with gambling problems and
17 including a toll-free "800" telephone number providing crisis
18 counseling and referral services to families experiencing
19 difficulty as a result of problem or compulsive gambling. The
20 text of the statement shall be determined by rule by the
21 Department of Human Services, shall be no more than one
22 sentence in length, and shall be posted on the placard required
23 under Section 10.6. The signs shall be provided by the
24 Department of Human Services.

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

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

11 (d) If the State enters into a Management and Concession
12 Agreement pursuant to which a Concessionaire is authorized to
13 manage or operate the Lottery, the Concessionaire shall assume
14 and discharge all duties of the Division under subsections (a),
15 (b), and (c) of this Section.

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

17 (20 ILCS 1605/11) (from Ch. 120, par. 1161)

18 Sec. 11. Officers and employees; civil or criminal
19 penalties; devolution of powers or duties. Every officer and
20 employee shall for any offense be subject to the same penalty
21 or penalties, civil or criminal, as are prescribed by existing
22 law for the same offense by any officer or employee whose
23 powers or duties devolve upon him under this Act.

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

1 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

2 Sec. 12. Public inspection and copying of records and data;
3 exceptions. The public inspection and copying of the records
4 and data of the Division and the Board shall be generally
5 governed by the provisions of the Freedom of Information Act
6 except that the following shall additionally be exempt from
7 inspection and copying:

8 (i) information privileged against introduction in
9 judicial proceedings;

10 (ii) internal communications of the several agencies;

11 (iii) information concerning secret manufacturing
12 processes or confidential data submitted by any person
13 under this Act;

14 (iv) any creative proposals, scripts, storyboards or
15 other materials prepared by or for the Division or a
16 Concessionaire under a Management and Concession
17 Agreement, prior to the placement of the materials in the
18 media, if the prior release of the materials would
19 compromise the effectiveness of an advertising campaign.

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

21 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

22 Sec. 13. Right to prize; payment. Except as otherwise
23 provided in Section 13.1, no prize, nor any portion of a prize,
24 nor any right of any person to a prize awarded shall be
25 assignable. Any prize, or portion thereof remaining unpaid at

1 the death of a prize winner, may be paid to the estate of such
2 deceased prize winner, or to the trustee under a revocable
3 living trust established by the deceased prize winner as
4 settlor, provided that a copy of such a trust has been filed
5 with the Department along with a notarized letter of direction
6 from the settlor and no written notice of revocation has been
7 received by the Division prior to the settlor's death.
8 Following such a settlor's death and prior to any payment to
9 such a successor trustee, the Superintendent shall obtain from
10 the trustee a written agreement to indemnify and hold the
11 Department and the Division harmless with respect to any claims
12 that may be asserted against the Department or the Division
13 arising from payment to or through the trust. Notwithstanding
14 any other provision of this Section, any person pursuant to an
15 appropriate judicial order may be paid the prize to which a
16 winner is entitled, and all or part of any prize otherwise
17 payable by State warrant under this Section shall be withheld
18 upon certification to the State Comptroller from the Department
19 of Healthcare and Family Services as provided in Section
20 10-17.5 of The Illinois Public Aid Code. The Director and the
21 Superintendent shall be discharged of all further liability
22 upon payment of a prize pursuant to this Section.

23 If the State enters into a Management and Concession
24 Agreement pursuant to which a payor other than the State, or a
25 department, division, agency, or other unit of the State shall
26 have the obligation to pay a prize, except as otherwise

1 provided in Section 13.1, neither a prize, nor any portion of a
2 prize, nor any right of any person to a prize awarded shall be
3 assignable. Any prize, or portion thereof remaining unpaid at
4 the death of a prize winner, may be paid to the estate of that
5 deceased prize winner, or to the trustee under a revocable
6 living trust established by the deceased prize winner as
7 settlor, provided that a copy of that trust has been delivered
8 to the third party prize payor along with a notarized letter of
9 direction from the settlor and no written notice of revocation
10 has been received by the third party prize payor prior to the
11 settlor's death. Following such a settlor's death and prior to
12 any payment to such a successor trustee, the third party prize
13 payor shall obtain from the trustee a written agreement to
14 indemnify and hold the third party prize payor and the State
15 harmless with respect to any claims that may be asserted
16 against such third party prize payor or the State arising from
17 the payment of the prize to or through the trust. The Director
18 and the Superintendent shall be discharged of all further
19 liability upon payment of a prize pursuant to this Section and
20 shall in no event be liable for any failure of a Concessionaire
21 to pay any prize.

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

23 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

24 Sec. 14. Sale of ticket or share at greater than fixed
25 price; sale or resale of tickets or shares; charging a fee to

1 redeem winning ticket or share; punishment. No person shall
2 sell a ticket or share at a price greater than that fixed by
3 rule or regulation of the Department or the Division. No person
4 other than a licensed lottery sales agent or distributor or a
5 Concessionaire or a sales agent engaged by a Concessionaire
6 pursuant to the terms of a Management and Concession Agreement
7 shall sell or resell lottery tickets or shares. No person shall
8 charge a fee to redeem a winning ticket or share.

9 Any person convicted of violating this Section shall be
10 guilty of a Class B misdemeanor; provided, that if any offense
11 under this Section is a subsequent offense, the offender shall
12 be guilty of a Class 4 felony.

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

14 (20 ILCS 1605/14.2) (from Ch. 120, par. 1164.2)

15 Sec. 14.2. Lottery ticket fraud; prima facie evidence. Any
16 person who, with intent to defraud, shall falsely make, alter,
17 forge, utter, pass or counterfeit a lottery ticket or share
18 issued by the State of Illinois under this Act shall be guilty
19 of a Class 4 felony.

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

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

1 (20 ILCS 1605/14.3)

2 Sec. 14.3. Misuse of proprietary material prohibited.
3 Except as may be provided in Section 7.11, or by bona fide sale
4 or by prior authorization from the Department or the Division,
5 or otherwise by law, all premiums, promotional and other
6 proprietary material produced or acquired by the Division as
7 part of its advertising and promotional activities shall remain
8 the property of the Department. Nothing herein shall be
9 construed to affect the rights or obligations of the Department
10 or any other person under federal or State trademark or
11 copyright laws, nor shall anything herein be construed to
12 prevent the Department or Division from assigning its rights in
13 such property to a Concessionaire pursuant to a Management and
14 Concession Agreement.

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

16 (20 ILCS 1605/15) (from Ch. 120, par. 1165)

17 Sec. 15. Prohibition against minors under 18 years of age
18 and certain other persons purchasing or being furnished lottery
19 tickets or shares. No minor under 18 years of age shall buy a
20 lottery ticket or share. No person shall sell, distribute
21 samples of, or furnish a lottery ticket or share to any minor
22 under 18 years of age, buy a lottery ticket or share for any
23 minor under 18 years of age, or aid and abet in the purchase of
24 lottery tickets or shares by a minor under 18 years of age.

1 No ticket or share shall be purchased by, and no prize
2 shall be paid to any of the following persons: any member of
3 the Board or any officer or other person employed by the Board
4 or by the Department or by the Concessionaire or any party with
5 which the Concessionaire may contract to operate the Lottery;
6 any spouse, child, brother, sister or parent residing as a
7 member of the same household in the principal place of abode of
8 any such persons; or any minor under 18 years of age.

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

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

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

17 Sec. 16. Violations of Act, rules, or regulations;
18 punishment; enforcement. It shall be a Class B misdemeanor to
19 violate this Act or any rule or regulation promulgated
20 thereunder, or knowingly to submit any false information under
21 this Act or rules or regulations adopted thereunder; except
22 that, if any person engages in such offense after one or more
23 prior convictions under this Act, or any law of the United
24 States or of any State relating to gambling or State operated
25 lotteries, he shall be guilty of a Class 4 felony. It shall be

1 the duty of all State and local law enforcement officers to
2 enforce such Act and regulations.

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

4 (20 ILCS 1605/17) (from Ch. 120, par. 1167)

5 Sec. 17. Other laws providing penalty or disability for
6 sale of lottery tickets or shares inapplicable. No other law
7 providing any penalty or disability for the sale of lottery
8 tickets or shares or any acts done in connection with the
9 lottery established under this Act shall apply to the sale of
10 tickets or shares performed pursuant to this Act.

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

12 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

13 Sec. 19. Claiming prizes. The Division shall establish an
14 appropriate period for the claiming of prizes for each lottery
15 game offered. Each claim period shall be stated in game rules
16 and written play instructions issued by the Superintendent in
17 accordance with Section 7.1 of this Act or, if the State enters
18 into a Management and Concession Agreement pursuant to which a
19 Concessionaire shall manage or operate the Lottery, such rules
20 and written play instructions as may be issued in accordance
21 with the terms of the Management and Concession Agreement.
22 Written play instructions shall be made available to all
23 players through sales agents licensed to sell game tickets or
24 shares. Prizes for lottery games which involve the purchase of

1 a physical lottery ticket may be claimed only by presentation
2 of a valid winning lottery ticket that matches validation
3 records on file with the Lottery or, if the State enters into a
4 Management and Concession Agreement pursuant to which a
5 Concessionaire manages or operates the Lottery, the records on
6 file with that Concessionaire; no claim may be honored which is
7 based on the assertion that the ticket was lost or stolen. No
8 lottery ticket which has been altered, mutilated, or fails to
9 pass validation tests shall be deemed to be a winning ticket.

10 If no claim is made for the money within the established
11 claim period, then the unclaimed prize money shall be
12 transferred to the Illinois Education Trust Fund except, in the
13 event the Lottery is operated pursuant to the terms of a
14 Management and Concession Agreement, as may otherwise be
15 provided in such agreement as is then in effect ~~the prize may~~
16 ~~be included in the prize pool of such special drawing or~~
17 ~~drawings as the Division may, from time to time, designate.~~
18 Unclaimed multi-state game prize money may be included in the
19 multi-state prize pool for such special drawing or drawings as
20 the multi-state game directors may, from time to time,
21 designate. ~~Any bonuses offered by the Department to sales~~
22 ~~agents who sell winning tickets or shares shall be payable to~~
23 ~~such agents regardless of whether or not the prize money on the~~
24 ~~ticket or share is claimed, provided that the agent can be~~
25 ~~identified as the vendor of the winning ticket or share, and~~
26 ~~that the winning ticket or share was sold on or after January~~

1 ~~1, 1984. All unclaimed prize money not included in the prize~~
2 ~~pool of a special drawing shall be transferred to the Common~~
3 ~~School Fund.~~

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

5 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

6 Sec. 20. State Lottery Fund.

7 (a) There is created in the State Treasury a special fund
8 to be known as the "State Lottery Fund". Such fund shall
9 consist of all revenues received from (1) the sale of lottery
10 tickets or shares, (net of commissions, fees representing those
11 expenses that are directly proportionate to the sale of tickets
12 or shares at the agent location, and prizes of less than \$600
13 which have been validly paid at the agent level), (2)
14 application fees, and (3) all other sources including moneys
15 credited or transferred thereto from any other fund or source
16 pursuant to law and, if the State enters into a Management and
17 Concession Agreement, any moneys accruing to the State pursuant
18 to the terms of that Agreement. Interest earnings of the State
19 Lottery Fund shall be credited to the Common School Fund.

20 (b) The receipt and distribution of moneys under Section
21 21.5 of this Act shall be in accordance with Section 21.5.

22 (c) The receipt and distribution of moneys under Section
23 21.6 of this Act shall be in accordance with Section 21.6.

24 (d) The receipt and distribution of moneys under Section
25 21.7 of this Act shall be in accordance with Section 21.7.

1 (e) ~~(d)~~ The receipt and distribution of moneys under
2 Section 21.8 ~~21.7~~ of this Act shall be in accordance with
3 Section 21.8 ~~21.7~~.

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

7 (20 ILCS 1605/20.2 new)

8 Sec. 20.2. Transfer of moneys from State Lottery Fund to
9 Common School Fund. Notwithstanding any provision set forth in
10 this Act or State law to the contrary, on or before the last
11 day of each fiscal year the State Comptroller shall direct and
12 the State Treasurer shall transfer moneys in and revenues
13 received by the State Lottery Fund to the Common School Fund.

14 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

15 Sec. 21. Payments or deposits of moneys and income. All
16 lottery sales agents or distributors shall be liable to the
17 Lottery for any and all tickets accepted or generated by any
18 employee or representative of that agent or distributor, and
19 such tickets shall be deemed to have been purchased by the
20 agent or distributor unless returned to the Lottery or if the
21 State enters into a Management and Concession Agreement
22 pursuant to which a Concessionaire engages sales agents or
23 distributors, to such Concessionaire as may be allowed
24 according to the terms of the Management and Concession

1 Agreement within the time and in the manner prescribed by the
2 Superintendent. All moneys received by such agents or
3 distributors from the sale of lottery tickets or shares, less
4 the amount retained as compensation for the sale of the tickets
5 or shares and the amount paid out as prizes, shall be paid over
6 to a lottery representative or deposited in a bank or savings
7 and loan association approved by the State Treasurer, as
8 prescribed by the Superintendent or, if the State enters into a
9 Management and Concession Agreement pursuant to which those
10 moneys are to be held by a trustee, to that trustee and in
11 accordance with such terms as may be set forth in the
12 Management and Concession Agreement.

13 No bank or savings and loan association shall receive any
14 ~~public~~ funds as permitted by this Section, unless it has
15 complied with the requirements established pursuant to Section
16 6 of the Public Funds Investment Act.

17 Each payment or deposit shall be accompanied by a report of
18 the agent's receipts and transactions in the sale of lottery
19 tickets in such form and containing such information as the
20 Superintendent, or if the State enters into a Management and
21 Concession Agreement, as the Concessionaire may require. Any
22 discrepancies in such receipts and transactions may be resolved
23 as provided by the rules and regulations of the Department.

24 If any money due the Lottery by a sales agent or
25 distributor is not paid when due or demanded, it shall
26 immediately become delinquent and be billed on a subsequent

1 monthly statement. If on the closing date for any monthly
2 statement a delinquent amount previously billed of more than
3 \$50 remains unpaid, interest in such amount shall be accrued at
4 the rate of 2% per month or fraction thereof from the date when
5 such delinquent amount becomes past due until such delinquent
6 amount, including interest, penalty and other costs and charges
7 that the Department may incur in collecting such amounts, is
8 paid. In case any agent or distributor fails to pay any moneys
9 due the Lottery within 30 days after a second bill or statement
10 is rendered to the agent or distributor, such amount shall be
11 deemed seriously delinquent and may be referred by the
12 Department to a collection agency or credit bureau for
13 collection. Any contract entered into by the Department for the
14 collection of seriously delinquent accounts with a collection
15 agency or credit bureau may be satisfied by a commercially
16 reasonable percentage of the delinquent account recouped,
17 which shall be negotiated by the Department in accordance with
18 commercially accepted standards. Any costs incurred by the
19 Department or others authorized to act in its behalf in
20 collecting such delinquencies may be assessed against the agent
21 or distributor and included as a part of the delinquent
22 account.

23 In case of failure of an agent or distributor to pay a
24 seriously delinquent amount, or any portion thereof to the
25 State, including interest, penalty and costs, the Division may
26 issue a Notice of Assessment. In determining amounts shown on

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

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

1 deficiency plus any costs or charges incurred by the Department
2 in collecting such amount.

3 The Director may make such arrangements for any person(s),
4 financial institution, ~~banks, savings and loan associations~~ or
5 distributors, to perform such functions, activities or
6 services in connection with the operation of the lottery as he
7 deems advisable pursuant to this Act, the State Comptroller
8 Act, or the rules and regulations of the Department, and such
9 functions, activities or services shall constitute lawful
10 functions, activities and services of such person(s), banks,
11 savings and loan associations or distributors.

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

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

21 (20 ILCS 1605/21.2) (from Ch. 120, par. 1171.2)

22 Sec. 21.2. (Repealed). ~~There is created a special fund in~~
23 ~~the State Treasury known as the Illinois Land Grant Collegiate~~
24 ~~Athletics Fund. The Department shall designate a special~~
25 ~~lottery game of its choosing which it shall prepare and offer~~

1 ~~for sale to the public, the net proceeds from which shall be~~
2 ~~transferred to such fund for distribution to the University of~~
3 ~~Illinois Athletic Association as otherwise authorized by law.~~

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

5 (20 ILCS 1605/21.3) (from Ch. 120, par. 1171.3)

6 Sec. 21.3. Officer of corporation; personal liability. Any
7 officer of any corporation licensed as an agent for the sale of
8 Lottery tickets and products shall be personally liable for the
9 total amount of Lottery receipts due the Department which are
10 unpaid by the corporation, together with any interest and
11 penalties thereon assessed in accordance with the provision of
12 Section 21 of the Act.

13 The personal liability of a corporate officer as provided
14 herein shall survive the dissolution of the corporation. No
15 action to enforce such personal liability shall be commenced
16 unless a notice of the delinquent account has been sent to such
17 corporate officer at the address shown on the Lottery records
18 or otherwise known to Department officials, and no such action
19 shall be commenced after the expiration of 3 years from the
20 date of the Department's notice of delinquent account or the
21 termination of any court proceedings with respect to the issue
22 of the delinquency of a corporation.

23 Procedures for protest and review of a notice of the
24 Department's intention to enforce personal liability against a
25 corporate officer shall be the same as those prescribed for

1 protest and review of the Notice of Assessment as set forth in
2 Section 7.3 of this Act.

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

4 (20 ILCS 1605/21.5)

5 Sec. 21.5. Superintendent Carolyn Adams Ticket For The
6 Cure.

7 (a) The Department shall offer a special instant
8 scratch-off game with the title of "Carolyn Adams Ticket For
9 The Cure". The game shall commence on January 1, 2006 or as
10 soon thereafter, in the discretion of the Director, as is
11 reasonably practical, and shall be discontinued on December 31,
12 2011. The operation of the game shall be governed by this Act
13 and any rules adopted by the Department. The Department must
14 consult with the Ticket For The Cure Board, which is
15 established under Section 2310-347 of the Department of Public
16 Health Powers and Duties Law of the Civil Administrative Code
17 of Illinois, regarding the design and promotion of the game. If
18 any provision of this Section is inconsistent with any other
19 provision of this Act, then this Section governs.

20 (b) The Ticket For The Cure Fund is created as a special
21 fund in the State treasury. The net revenue from the Carolyn
22 Adams Ticket For The Cure special instant scratch-off game
23 shall be deposited into the Fund for appropriation by the
24 General Assembly solely to the Department of Public Health for
25 the purpose of making grants to public or private entities in

1 Illinois for the purpose of funding research concerning breast
2 cancer and for funding services for breast cancer victims. The
3 Department must, before grants are awarded, provide copies of
4 all grant applications to the Ticket For The Cure Board,
5 receive and review the Board's recommendations and comments,
6 and consult with the Board regarding the grants. For purposes
7 of this Section, the term "research" includes, without
8 limitation, expenditures to develop and advance the
9 understanding, techniques, and modalities effective in the
10 detection, prevention, screening, and treatment of breast
11 cancer and may include clinical trials. The grant funds may not
12 be used for institutional, organizational, or community-based
13 overhead costs, indirect costs, or levies.

14 Moneys received for the purposes of this Section,
15 including, without limitation, net revenue from the special
16 instant scratch-off game and gifts, grants, and awards from any
17 public or private entity, must be deposited into the Fund. Any
18 interest earned on moneys in the Fund must be deposited into
19 the Fund.

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

25 (c) During the time that tickets are sold for the Carolyn
26 Adams Ticket For The Cure game, the Department shall not

1 unreasonably diminish the efforts devoted to marketing any
2 other instant scratch-off lottery game.

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

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

6 (20 ILCS 1605/21.9 new)

7 Sec. 21.9. Right to direct offer of special cause games. If
8 the State enters into a Management and Concession Agreement,
9 the State shall retain the right to direct the Concessionaire
10 to offer special cause games as the General Assembly may
11 determine appropriate from time to time. The General Assembly
12 may in its discretion direct the deposit and use of net
13 revenues from any such special cause games. The operation of
14 any such special cause games shall be governed by this Act and
15 any rules necessary to implement and administer the provisions
16 of this Section as adopted by the Department. For purposes of
17 this Section, "net revenue" means the total amount for which
18 tickets have been sold less the sum of the amount paid out in
19 the prizes and the costs and expenses related to the game.

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

21 Sec. 24. Preaudit of accounts and transactions by State
22 Comptroller; post-audits by Auditor General. The State
23 Comptroller shall conduct a preaudit of all accounts and
24 transactions of the Department in connection with the operation

1 of the State Lottery under the State Comptroller Act, excluding
2 payments issued by the Department for prizes of \$25,000 or
3 less.

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

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

18 (20 ILCS 1605/25) (from Ch. 120, par. 1175)

19 Sec. 25. Review under Administrative Review Law. Any party
20 adversely affected by a final order or determination of the
21 Board or the Department may obtain judicial review, by filing a
22 petition for review within 35 days after the entry of the order
23 or other final action complained of, pursuant to the provisions
24 of the Administrative Review Law, as amended and the rules
25 adopted pursuant thereto.

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

2 (20 ILCS 1605/26) (from Ch. 120, par. 1176)

3 Sec. 26. Severability of invalid provisions or
4 applications. If any clause, sentence, paragraph, subdivision,
5 Section, provision or other portion of this Act or the
6 application thereof to any person or circumstances is held to
7 be invalid, such holding shall not affect, impair or invalidate
8 the remainder of this Act or the application of such portion
9 held invalid to any other person or circumstances, but shall be
10 confined in its operation to the clause, sentence, paragraph,
11 subdivision, provision or other portion thereof directly
12 involved in such holding or to the person and circumstances
13 therein involved.

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

15 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

16 Sec. 27. Contracts; investments; proceeds; Deferred
17 Lottery Prize Winners Trust Fund; disbursements; State Lottery
18 Fund; Lottery Concession Fund; Lottery Escrow Account.

19 (a) The State Treasurer may, with the consent of the
20 Director, contract with any person or corporation, including,
21 without limitation, a bank, banking house, trust company or
22 investment banking firm, to perform such financial functions,
23 activities or services in connection with operation of the
24 lottery as the State Treasurer and the Director may prescribe.

1 (b) All proceeds from investments made pursuant to
2 contracts executed by the State Treasurer, with the consent of
3 the Director, to perform financial functions, activities or
4 services in connection with operation of the lottery, shall be
5 deposited and held by the State Treasurer as ex-officio
6 custodian thereof, separate and apart from all public money or
7 funds of this State in a special trust fund outside the State
8 treasury. Such trust fund shall be known as the "Deferred
9 Lottery Prize Winners Trust Fund", and shall be administered by
10 the Director.

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

16 This Act shall constitute an irrevocable appropriation of
17 all amounts necessary for that purpose, and the irrevocable and
18 continuing authority for and direction to the Director and the
19 State Treasurer to make the necessary payments out of such
20 trust fund for that purpose. In the event that the State shall
21 enter into a Management and Concession Agreement, this Section
22 27(b) shall not apply to any prizes awarded after the closing
23 date of the Management and Concession Agreement.

24 (c) Moneys invested pursuant to subsection (a) of this
25 Section may be invested only in bonds, notes, certificates of
26 indebtedness, treasury bills, or other securities constituting

1 direct obligations of the United States of America and all
2 securities or obligations the prompt payment of principal and
3 interest of which is guaranteed by a pledge of the full faith
4 and credit of the United States of America. Interest earnings
5 on moneys in the Deferred Lottery Prize Winners Trust Fund
6 shall remain in such fund and be used to pay the winners of
7 lottery prizes deferred as to payment until such obligations
8 are discharged. Proceeds from bonds purchased and interest
9 accumulated as a result of a grand prize multi-state game
10 ticket that goes unclaimed will be transferred after the
11 termination of the relevant claim period directly from the
12 lottery's Deferred Lottery Prize Winners Trust Fund to each
13 respective multi-state partner state according to its
14 contribution ratio. All moneys invested pursuant to the terms
15 of any Management and Concession Agreement into which the State
16 may enter, shall be subject to the provisions of this
17 subsection.

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

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

13 (c-15) From time to time, the Director may request that the
14 State Comptroller transfer any excess moneys in the Deferred
15 Lottery Prize Winners Trust Fund to the Lottery Fund. In the
16 event that the State shall enter into a Management and
17 Concession Agreement, this Section 27(c-15) shall not apply to
18 any prizes awarded after the closing date of the Management and
19 Concession Agreement.

20 (c-20) In the event that the State shall enter into a
21 Management and Concession Agreement pursuant to which a
22 Concessionaire is authorized to manage or operate the Lottery,
23 there shall be created a fund to be known as the Lottery
24 Concession Trust Fund, which shall be a special
25 non-appropriated trust fund held outside of the State Treasury
26 and separate and apart from all public money and funds of this

1 State for the purpose of holding Concession revenues for the
2 purpose of transferring to the State its 20% share of gross
3 revenues after prize payouts. All proceeds from the sale of
4 Lottery tickets or shares and all other revenue from the
5 State's conduct of the Lottery as authorized under this
6 amendatory Act of the 95th General Assembly, including Lottery
7 revenues a Concessionaire may be eligible to receive under a
8 Management and Concession Agreement, with the exception of the
9 initial consideration distributed pursuant to Section 2.2,
10 shall be paid into the Fund. Within the Lottery Concession
11 Trust Fund, there shall be created sub-trusts for the purpose
12 of holding moneys for the exclusive benefit of the State and
13 recipients of Prize Claims.

14 The Fund shall begin to receive lottery proceeds and
15 revenues on the date that a Management and Concession Agreement
16 first becomes effective, and moneys in the Fund shall not at
17 any time during the term of such an agreement be appropriated
18 or diverted to any other use or purpose. The Fund shall be held
19 by an Illinois trustee designated pursuant to the Concession
20 and Management Agreement. All interest or other earnings
21 accruing or received on amounts in the Fund shall be credited
22 to and retained by the Fund. The Fund shall be held,
23 administered, invested, and disbursed in accordance with the
24 trust agreement and the Management and Concession Agreement.

25 (c-25) The State may, through and limited by a valid and
26 enforceable Management and Concession Agreement, waive

1 sovereign immunity with respect to some or all claims asserted
2 by a Concessionaire relating to the Concession.

3 (d) This amendatory Act of 1985 shall be construed
4 liberally to effect the purposes of the Illinois Lottery Law.

5 (Source: P.A. 89-466, eff. 6-13-96; 90-346, eff. 8-8-97.)

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

8 (30 ILCS 105/5.715 new)

9 Sec. 5.715. The Illinois Education Trust Fund.

10 (30 ILCS 105/5.716 new)

11 Sec. 5.716. The Illinois Works Fund.

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

14 (30 ILCS 500/50-70)

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

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

18 (2) the Illinois Human Rights Act;

19 (3) the Discriminatory Club Act;

20 (4) the Illinois Governmental Ethics Act;

21 (5) the State Prompt Payment Act;

- 1 (6) the Public Officer Prohibited Activities Act;
2 (7) the Drug Free Workplace Act; ~~and~~
3 (8) the Illinois Power Agency Act; ~~and~~
4 (9) ~~(8)~~ the Employee Classification Act; and ~~and~~
5 (10) The Illinois Lottery Law.

6 (Source: P.A. 95-26, eff. 1-1-08; 95-481, eff. 8-28-07; revised
7 11-2-07.)

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

10 (705 ILCS 505/8) (from Ch. 37, par. 439.8)

11 Sec. 8. Court of Claims jurisdiction. The court shall have
12 exclusive jurisdiction to hear and determine the following
13 matters:

14 (a) All claims against the State founded upon any law of
15 the State of Illinois or upon any regulation adopted thereunder
16 by an executive or administrative officer or agency; provided,
17 however, the court shall not have jurisdiction (i) to hear or
18 determine claims arising under the Workers' Compensation Act or
19 the Workers' Occupational Diseases Act, or claims for expenses
20 in civil litigation, or (ii) to review administrative decisions
21 for which a statute provides that review shall be in the
22 circuit or appellate court.

23 (b) All claims against the State founded upon any contract
24 entered into with the State of Illinois, except and to the

1 extent provided by the Illinois Lottery Law.

2 (c) All claims against the State for time unjustly served
3 in prisons of this State where the persons imprisoned shall
4 receive a pardon from the governor stating that such pardon is
5 issued on the ground of innocence of the crime for which they
6 were imprisoned; provided, the court shall make no award in
7 excess of the following amounts: for imprisonment of 5 years or
8 less, not more than \$15,000; for imprisonment of 14 years or
9 less but over 5 years, not more than \$30,000; for imprisonment
10 of over 14 years, not more than \$35,000; and provided further,
11 the court shall fix attorney's fees not to exceed 25% of the
12 award granted. On December 31, 1996, the court shall make a
13 one-time adjustment in the maximum awards authorized by this
14 subsection (c), to reflect the increase in the cost of living
15 from the year in which these maximum awards were last adjusted
16 until 1996, but with no annual increment exceeding 5%.
17 Thereafter, the court shall annually adjust the maximum awards
18 authorized by this subsection (c) to reflect the increase, if
19 any, in the Consumer Price Index For All Urban Consumers for
20 the previous calendar year, as determined by the United States
21 Department of Labor, except that no annual increment may exceed
22 5%. For both the one-time adjustment and the subsequent annual
23 adjustments, if the Consumer Price Index decreases during a
24 calendar year, there shall be no adjustment for that calendar
25 year. The changes made by Public Act 89-689 apply to all claims
26 filed on or after January 1, 1995 that are pending on December

1 31, 1996 and all claims filed on or after December 31, 1996.

2 (d) All claims against the State for damages in cases
3 sounding in tort, if a like cause of action would lie against a
4 private person or corporation in a civil suit, and all like
5 claims sounding in tort against the Medical Center Commission,
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; provided, that an award for
16 damages in a case sounding in tort, other than certain cases
17 involving the operation of a State vehicle described in this
18 paragraph, shall not exceed the sum of \$100,000 to or for the
19 benefit of any claimant. The \$100,000 limit prescribed by this
20 Section does not apply to an award of damages in any case
21 sounding in tort arising out of the operation by a State
22 employee of a vehicle owned, leased or controlled by the State.
23 The defense that the State or the Medical Center Commission or
24 the Board of Trustees of the University of Illinois, the Board
25 of Trustees of Southern Illinois University, the Board of
26 Trustees of Chicago State University, the Board of Trustees of

1 Eastern Illinois University, the Board of Trustees of Governors
2 State University, the Board of Trustees of Illinois State
3 University, the Board of Trustees of Northeastern Illinois
4 University, the Board of Trustees of Northern Illinois
5 University, the Board of Trustees of Western Illinois
6 University, or the Board of Trustees of the Illinois
7 Mathematics and Science Academy is not liable for the
8 negligence of its officers, agents, and employees in the course
9 of their employment is not applicable to the hearing and
10 determination of such claims.

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

13 (f) All claims pursuant to the Line of Duty Compensation
14 Act.

15 (g) All claims filed pursuant to the Crime Victims
16 Compensation Act.

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

19 (i) All claims authorized by subsection (a) of Section
20 10-55 of the Illinois Administrative Procedure Act for the
21 expenses incurred by a party in a contested case on the
22 administrative level.

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

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

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

2 Sec. 1. Except as provided in the Illinois Public Labor
3 Relations Act, the Court of Claims Act, the State Officials and
4 Employees Ethics Act, ~~and~~ Section 1.5 of this Act, the Illinois
5 Lottery Law, and, except as provided in and to the extent
6 provided in the Clean Coal FutureGen for Illinois Act, the
7 State of Illinois shall not be made a defendant or party in any
8 court.

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

11 Section 99. Effective date. This Act takes effect upon
12 becoming law, but only if and not until all of the following
13 House Bills of the 95th General Assembly become law: 2093,
14 2650, 4723, 5618, and 6339."