



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4128

by Rep. Angelo Saviano

SYNOPSIS AS INTRODUCED:

20 ILCS 1605/7.12 new
20 ILCS 1605/7.13 new
20 ILCS 1605/7.14 new

Amends the Illinois Lottery Law. Requires the Department of Revenue to establish and maintain an Internet lottery game program that allows an eligible person to purchase lottery tickets through the Internet through the services of a private Internet agent. Sets forth procedures for the establishment and operation of the program and for the creation of individual lottery accounts. Effective immediately.

LRB095 12878 BDD 38364 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Lottery Law is amended by adding
5 Sections 7.12, 7.13, 7.14, and 7.15 as follows:

6 (20 ILCS 1605/7.12 new)

7 Sec. 7.12. Internet Lottery game program.

8 (a) The Department shall establish and maintain an Internet
9 lottery game program that allows an eligible person to purchase
10 lottery tickets through the Internet through the services of a
11 private Internet agent. The Department must adopt rules
12 necessary for the administration of this program. The
13 provisions of this Section and the rules adopted under this
14 Section apply to the sale of lottery tickets under this
15 program.

16 (b) The Department shall select a private Internet agent
17 under the standards and qualifications described in Section
18 7.13 to operate the real-time and secure payment option system
19 that may be used for the purposes of this program.

20 (c) All non-scratch-ticket Lottery games offered by the
21 Department shall be offered to Internet players, but the
22 Department is authorized to determine which additional lottery
23 games may be offered through the electronic distribution

1 channel.

2 (d) A person who purchases a ticket through the program
3 shall be notified electronically of their prize winnings. A
4 prize in an amount less than \$600 must be deposited directly
5 into the winner's bank account. The payment of a prize in an
6 amount of \$600 or more may be made only by the Director.

7 (e) The Department shall determine which games may be
8 played online and shall limit the persons authorized to
9 purchase tickets online to only eligible residents of this
10 State in compliance with the federal Unlawful Internet Gambling
11 Enforcement Act of 2006.

12 (f) The Department shall, by rule and in compliance with
13 the federal Unlawful Internet Gambling Enforcement Act of 2006,
14 establish a procedure to verify that a person is 18 years of
15 age or older before, he or she may establish an online lottery
16 account and purchase lottery tickets through the Internet
17 program. By rule, the Department shall adopt standards to
18 prevent the unauthorized use of online lottery accounts.

19 (g) The Department may, by rule, establish a limitation on
20 monthly purchases that may be made through any individual
21 lottery account.

22 (20 ILCS 1605/7.13 new)

23 Sec. 7.13. Operation of the Internet game program.

24 (a) the Department shall enter into a contract with a
25 private Internet agent to sell lottery tickets through the

1 Internet through the services of a private Internet agent. In
2 addition to any other reasonable qualifications required by the
3 Department, the private Internet agent must:

4 (1) demonstrate extensive experience in handling
5 secure Internet financial transactions on a real time
6 basis;

7 (2) possess the ability to maintain an Internet site in
8 compliance with the best industry standards with respect to
9 security and the protection of personal information;

10 (3) possess a demonstrable ability to create and
11 maintain an Internet site and subsites with a high volume
12 of use meet or exceed electronic security standards within
13 the electronic payment or transfer industry such as a SAS
14 70 Type II review; and

15 (4) submit to the Department a history of financial
16 accountability and comply with generally accepted
17 accounting principles.

18 (b) The private Internet agent, with the cooperation and
19 approval of the Department, must establish procedures to
20 establish accounts and unique identification numbers for each
21 player using the Internet and to verify the age, address, and
22 payment method of each of those players.

23 (c) The private Internet agent is entitled to earn and
24 collect a reasonable transaction fee that is paid by the player
25 who establishes and plays through an online account, and the
26 private Internet agent is also entitled to the winning bonus

1 for selling a winning ticket as approved and set under the Act.

2 (d) The private Internet agent must deliver to the
3 Department all moneys collected through the Internet
4 transactions within 48 hours after their receipt. The private
5 Internet agent must deliver to the Department records of all
6 sales transactions from which those moneys were collected on a
7 real time basis or as required by the Department. The private
8 Internet agent may deduct its fees before delivering the funds
9 to the Department.

10 (e) The Department must adopt any rules necessary to
11 administer the provisions of this Section.

12 (20 ILCS 1605/7.14 new)

13 Sec. 7.14. Creation of Internet Lottery accounts.

14 (a) Any person who is eligible to participate in the
15 Internet Lottery game program may create a secure individual
16 lottery account that is accessible through the Internet or by
17 other secure electronic means. In order to establish an
18 individual lottery account, a person must apply to the
19 Department.

20 An applicant that applies in person must present a valid
21 Illinois driver's license with current address or an official
22 State-issued identification card. The Department shall verify
23 that the person is 18 years of age or older. The person must be
24 issued an application form in person, to be approved by the
25 Department or its approved private Internet agent, containing

1 of the applicant's name, address, age, driver's license number,
2 or the number of an official state approved identification
3 card; an email address and the applicant's last 4 digits of his
4 or her social security number as well as other information that
5 may be required by the Department or the private Internet
6 agent.

7 An applicant may also establish an individual lottery
8 account by registering online through an approved Illinois
9 Lottery website and filling out the electronic application form
10 via the Internet. The application shall be approved by the
11 Department or its approved private Internet agent, containing
12 of the applicant's name, address, age, driver's license number,
13 or the number of an official state approved identification
14 card, an email address and the applicant's last 4 digits of his
15 or her social security number. The private Internet agent shall
16 verify over the Internet the persons name, age, address, and
17 drivers license number through a connection with the Illinois
18 Secretary of State Drivers License Bureau.

19 (b) The individual lottery account may not be activated
20 until the person goes online and follows the activation and
21 funding procedure to be established by the Department. Each new
22 account holder must be issued electronically a unique
23 individual lottery access number that will prevent others from
24 accessing his or her individual lottery account.

25 (c) The Department is authorized and directed to devise a
26 method pursuant to which a person who has activated and funded

1 an individual lottery account is allowed to purchase lottery
2 tickets or shares by using public or private computer terminals
3 or other electronic devices or means.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.