



Rep. Angelo Saviano

Filed: 5/15/2008

09500HB4128ham002

LRB095 12878 HLH 48796 a

1 AMENDMENT TO HOUSE BILL 4128

2 AMENDMENT NO. _____. Amend House Bill 4128, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Lottery Law is amended by adding
6 Sections 7.12, 7.13, 7.14, 7.15, and 27.5 as follows:

7 (20 ILCS 1605/7.12 new)

8 Sec. 7.12. Internet Lottery game program.

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

1 (b) The Department shall select a private Internet agent
2 under the standards and qualifications described in Section
3 7.13 to operate the real-time and secure payment option system
4 that may be used for the purposes of this program.

5 (c) All non-scratch-ticket Lottery games offered by the
6 Department shall be offered to Internet players, and additional
7 lottery games may be offered through the electronic
8 distribution.

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

14 (e) The Department's proposed rules must include a
15 determination of which games may be played online and shall
16 limit the persons authorized to purchase tickets online to only
17 eligible residents of this State in compliance with the federal
18 Unlawful Internet Gambling Enforcement Act of 2006.

19 (f) The Department shall, in compliance with the federal
20 Unlawful Internet Gambling Enforcement Act of 2006, establish a
21 procedure to verify that a person is 18 years of age or older
22 before he or she may establish an online lottery account and
23 purchase lottery tickets through the Internet program. The
24 Department's proposed rules must adopt standards to prevent the
25 unauthorized use of online lottery accounts.

26 (g) The Department's proposed rules may establish a

1 limitation on monthly purchases that may be made through any
2 individual lottery account.

3 (20 ILCS 1605/7.13 new)

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

5 (a) the Department shall enter into a contract with a
6 private Internet agent to sell lottery tickets through the
7 Internet through the services of a private Internet agent. In
8 addition to any other reasonable qualifications required by the
9 Department, the private Internet agent must:

10 (1) demonstrate extensive experience in handling
11 secure Internet financial transactions on a real time
12 basis;

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

16 (3) possess a demonstrable ability to create and
17 maintain an Internet site and subsites with a high volume
18 of use and meet or exceed electronic security standards
19 within the electronic payment or transfer industry such as
20 a SAS 70 Type II review; and

21 (4) submit to the Department a history of financial
22 accountability and comply with generally accepted
23 accounting principles.

24 (b) The private Internet agent, with the cooperation and
25 approval of the Department, must establish procedures to

1 establish accounts and unique identification numbers for each
2 player using the Internet and to verify the age, address, and
3 payment method of each of those players.

4 (c) The private Internet agent is entitled to earn and
5 collect a reasonable transaction fee that is paid by the player
6 who establishes and plays through an online account, and the
7 private Internet agent is also entitled to the winning bonus
8 for selling a winning ticket as approved and set under the Act.

9 (d) The private Internet agent must deliver to the
10 Department all moneys collected through the Internet
11 transactions within 48 hours after their receipt. The private
12 Internet agent must deliver to the Department records of all
13 sales transactions from which those moneys were collected on a
14 real time basis or as required by the Department. The private
15 Internet agent may deduct its fees before delivering the funds
16 to the Department.

17 (20 ILCS 1605/7.14 new)

18 Sec. 7.14. Creation of Internet Lottery accounts.

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

25 An applicant that applies in person must present a valid

1 Illinois driver's license with current address or an official
2 State-issued identification card. The Department shall verify
3 that the person is 18 years of age or older. The person must be
4 issued an application form in person, to be approved by the
5 Department or its approved private Internet agent, containing
6 the applicant's name, address, age, driver's license number, or
7 the number of an official state approved identification card;
8 an email address and the applicant's last 4 digits of his or
9 her social security number as well as other information that
10 may be required by the Department or the private Internet
11 agent.

12 An applicant may also establish an individual lottery
13 account by registering online through an approved Illinois
14 Lottery website and filling out the electronic application form
15 via the Internet. The application shall be approved by the
16 Department or its approved private Internet agent, containing
17 the applicant's name, address, age, driver's license number, or
18 the number of an official state-approved identification card,
19 an e-mail address, and the applicant's last 4 digits of his or
20 her social security number. The private Internet agent shall
21 verify the person's name, age, address, and driver's license or
22 identification card number pursuant to the procedures set forth
23 in the rules adopted by the Department, subject to Section
24 27.5. Any such procedures that involve the use of information
25 maintained by the Secretary of State must be approved by the
26 Secretary of State.

1 (b) The individual lottery account may not be activated
2 until the person goes online and follows the activation and
3 funding procedure to be established by the Department. Each new
4 account holder must be issued electronically a unique
5 individual lottery access number that will prevent others from
6 accessing his or her individual lottery account.

7 (c) The Department is authorized and directed to devise a
8 method pursuant to which a person who has activated and funded
9 an individual lottery account is allowed to purchase lottery
10 tickets or shares by using public or private computer terminals
11 or other electronic devices or means.

12 (20 ILCS 1605/27.5 new)

13 Sec. 27.5. No rulemaking authority. Notwithstanding any
14 other provision of this Act or any other rulemaking authority
15 that may exist, on and after the effective date of this
16 amendatory Act of the 95th General Assembly, neither the
17 Governor nor any agency or agency head under the jurisdiction
18 of the Governor has any authority to make or promulgate rules
19 to implement or enforce the provisions of this Act. If,
20 however, the Department believes that rules are necessary to
21 implement or enforce the provisions of this Act, the Department
22 may suggest rules to the General Assembly by filing them with
23 the Clerk of the House and Secretary of the Senate and by
24 requesting that the General Assembly authorize such rulemaking
25 by law, enact those suggested rules into law, or take any other

1 appropriate action in the General Assembly's discretion.
2 Nothing contained in this Act shall be interpreted to grant
3 rulemaking authority under any other Illinois statute where
4 such authority is not otherwise explicitly given. For the
5 purposes of this Act, "rules" is given the meaning contained in
6 Section 1-70 of the Illinois Administrative Procedure Act, and
7 "agency" and "agency head" are given the meanings contained in
8 Sections 1-20 and 1-25 of the Illinois Administrative Procedure
9 Act to the extent that such definitions apply to agencies or
10 agency heads under the jurisdiction of the Governor.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law."