



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5676

Introduced 2/16/2012, by Rep. Jim Watson

SYNOPSIS AS INTRODUCED:

20 ILCS 1605/7.12
20 ILCS 1605/7.18 new

Amends the Illinois Lottery Law. Provides that, if the Internet pilot program becomes operational, the commissions paid to sales agents may not be reduced to a rate of less than 5%. Requires that Lottery tickets under the Internet Lottery program be purchased through the use of stored value cards authorized by the Department; however, an individual may add his or her prize on a winning ticket to a stored value card. Prohibits the purchase of Lottery tickets or the stored value cards under the Internet Lottery program using credit cards. Specifies that the stored value cards may only be purchased with cash by an individual 18 years of age or older. Provides that Internet Lottery prizes of up to \$600 must be redeemed at a licensed retail sales agent. Effective immediately.

LRB097 18002 AMC 63225 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning the lottery.

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

4 Section 5. The Illinois Lottery Law is amended by changing
5 Section 7.12 and by adding Section 7.18 as follows:

6 (20 ILCS 1605/7.12)

7 Sec. 7.12. Internet pilot program. The General Assembly
8 finds that:

9 (1) the consumer market in Illinois has changed since
10 the creation of the Illinois State Lottery in 1974;

11 (2) the Internet has become an integral part of
12 everyday life for a significant number of Illinois
13 residents not only in regards to their professional life,
14 but also in regards to personal business and communication;
15 and

16 (3) the current practices of selling lottery tickets
17 does not appeal to the new form of market participants who
18 prefer to make purchases on the internet at their own
19 convenience.

20 It is the intent of the General Assembly to create an
21 Internet pilot program for the sale of lottery tickets to
22 capture this new form of market participant.

23 The Department shall create a pilot program that allows an

1 individual 18 years of age or older to purchase lottery tickets
2 or shares on the Internet without using a Lottery retailer with
3 on-line status, as those terms are defined by rule. The
4 Department shall restrict the sale of lottery tickets on the
5 Internet to transactions initiated and received or otherwise
6 made exclusively within the State of Illinois. The Department
7 shall adopt rules necessary for the administration of this
8 program. These rules shall include requirements for marketing
9 of the Lottery to infrequent players. The provisions of this
10 Act and the rules adopted under this Act shall apply to the
11 sale of lottery tickets or shares under this program.

12 Before beginning the pilot program, the Department of the
13 Lottery must submit a request to the United States Department
14 of Justice for review of the State's plan to implement a pilot
15 program for the sale of lottery tickets on the Internet and its
16 propriety under federal law. The Department shall implement the
17 Internet pilot program only if the Department of Justice does
18 not object to the implementation of the program within a
19 reasonable period of time after its review.

20 The Department is obligated to implement the pilot program
21 set forth in this Section and Sections 7.15 and 7.16 only at
22 such time, and to such extent, that the Department of Justice
23 does not object to the implementation of the program within a
24 reasonable period of time after its review. While the Illinois
25 Lottery may only offer Lotto and Mega Millions games through
26 the pilot program, the Department shall request review from the

1 federal Department of Justice for the Illinois Lottery to sell
2 lottery tickets on the Internet on behalf of the State of
3 Illinois that are not limited to just these games.

4 The Department shall authorize the private manager to
5 implement and administer the program pursuant to the management
6 agreement entered into under Section 9.1 and in a manner
7 consistent with the provisions of this Section. If a private
8 manager has not been selected pursuant to Section 9.1 at the
9 time the Department is obligated to implement the pilot
10 program, then the Department shall not proceed with the pilot
11 program until after the selection of the private manager, at
12 which time the Department shall authorize the private manager
13 to implement and administer the program pursuant to the
14 management agreement entered into under Section 9.1 and in a
15 manner consistent with the provisions of this Section.

16 The pilot program shall last for not less than 36 months,
17 but not more than 48 months from the date of its initial
18 operation.

19 Nothing in this Section shall be construed as prohibiting
20 the Department from implementing and operating a website portal
21 whereby individuals who are 18 years of age or older with an
22 Illinois mailing address may apply to purchase lottery tickets
23 via subscription.

24 Notwithstanding any other provision of this Law, if the
25 program authorized under this Section becomes operational, the
26 commissions paid to sales agents licensed under the provision

1 of this Law may not be reduced to a rate of less than 5%.

2 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
3 eff. 12-23-09; 97-464, eff. 10-15-11.)

4 (20 ILCS 1605/7.18 new)

5 Sec. 7.18. Internet lottery sales; stored value cards.

6 (a) Lottery tickets under the Internet Lottery program must
7 be purchased through the use of stored value cards authorized
8 by the Department; however, an individual may add his or her
9 prize on a winning ticket to a stored value card. Individuals
10 may not purchase Lottery tickets or the stored value cards
11 under the Internet Lottery program using credit cards. The
12 stored value cards may only be purchased with cash by an
13 individual 18 years of age or older.

14 (b) Internet Lottery prizes of up to \$600 must be redeemed
15 at a licensed retail sales agent.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.