

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 Civil Administrative Code of Illinois is
5 amended by changing Sections 5-20 and 5-175 as follows:

6 (20 ILCS 5/5-20) (was 20 ILCS 5/4)

7 Sec. 5-20. Heads of departments. Each department shall have
8 an officer as its head who shall be known as director or
9 secretary and who shall, subject to the provisions of the Civil
10 Administrative Code of Illinois, execute the powers and
11 discharge the duties vested by law in his or her respective
12 department.

13 The following officers are hereby created:

14 Director of Aging, for the Department on Aging.

15 Director of Agriculture, for the Department of
16 Agriculture.

17 Director of Central Management Services, for the
18 Department of Central Management Services.

19 Director of Children and Family Services, for the
20 Department of Children and Family Services.

21 Director of Commerce and Economic Opportunity, for the
22 Department of Commerce and Economic Opportunity.

23 Director of Corrections, for the Department of

1 Corrections.

2 Director of the Illinois Emergency Management Agency, for
3 the Illinois Emergency Management Agency.

4 Director of Employment Security, for the Department of
5 Employment Security.

6 Secretary of Financial and Professional Regulation, for
7 the Department of Financial and Professional Regulation.

8 Director of Healthcare and Family Services, for the
9 Department of Healthcare and Family Services.

10 Director of Human Rights, for the Department of Human
11 Rights.

12 Secretary of Human Services, for the Department of Human
13 Services.

14 Director of the Illinois Power Agency, for the Illinois
15 Power Agency.

16 Director of Juvenile Justice, for the Department of
17 Juvenile Justice.

18 Director of Labor, for the Department of Labor.

19 ~~Director of the Lottery, for the Department of the Lottery.~~

20 Director of Natural Resources, for the Department of
21 Natural Resources.

22 Director of Public Health, for the Department of Public
23 Health.

24 Director of Revenue, for the Department of Revenue.

25 Director of State Police, for the Department of State
26 Police.

1 Secretary of Transportation, for the Department of
2 Transportation.

3 Director of Veterans' Affairs, for the Department of
4 Veterans' Affairs.

5 (Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07;
6 95-777, eff. 8-4-08; 96-328, eff. 8-11-09.)

7 (20 ILCS 5/5-175) (was 20 ILCS 5/5.12)

8 Sec. 5-175. In the Department of Revenue. Assistant
9 Director of Revenue, ~~and State Lottery Superintendent.~~

10 (Source: P.A. 91-239, eff. 1-1-00.)

11 Section 10. The Illinois Lottery Law is amended by changing
12 Sections 3, 4, 5, 6, 7.1, 7.6, 7.11, 7.12, 9, 9.1, 10, 10.1,
13 10.1a, 10.2, 10.6, 10.7, 10.8, 12, 13, 14, 14.3, 19, 20, 20.1,
14 21, 21.5, 21.6, 21.7, 21.8, 26, and 27 and by adding Section 29
15 as follows:

16 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

17 Sec. 3. For the purposes of this Act:

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

20 b. "Board" means the Lottery Control Board created by this
21 Act.

22 c. "Department" means the Department of the Lottery
23 Revenue.

- 1 d. (Blank). ~~"Director" means the Director of Revenue.~~
- 2 e. "Chairman" means the Chairman of the Lottery Control
3 Board.
- 4 f. "Multi-state game directors" means such persons,
5 including the Superintendent, as may be designated by an
6 agreement between the Department ~~Division~~ and one or more
7 additional lotteries operated under the laws of another state
8 or states.
- 9 g. (Blank). ~~"Division" means the Division of the State
10 Lottery of the Department of Revenue.~~
- 11 h. "Superintendent" means the Superintendent of the
12 Department ~~Division~~ of the ~~State Lottery of the Department of~~
13 ~~Revenue.~~
- 14 i. "Management agreement" means an agreement or contract
15 between the Department on behalf of the State with a private
16 manager, as an independent contractor, whereby the private
17 manager provides management services to the Lottery in exchange
18 for compensation that may consist of, among other things, a fee
19 for services and a performance-based bonus of no more than 5%
20 of Lottery profits so long as the Department continues to
21 exercise actual control over all significant business
22 decisions made by the private manager as set forth in Section
23 9.1.
- 24 j. "Person" means any individual, firm, association, joint
25 venture, partnership, estate, trust, syndicate, fiduciary,
26 corporation, or other legal entity, group, or combination.

1 k. "Private manager" means a person that provides
2 management services to the Lottery on behalf of the Department
3 under a management agreement.

4 l. "Profits" means total revenues accruing from the sale of
5 lottery tickets or shares and related proceeds minus (1) the
6 payment of prizes and retailer bonuses and (2) the payment of
7 costs incurred in the operation and administration of the
8 lottery, excluding costs of services directly rendered by a
9 private manager.

10 m. "Chief Procurement Officer" means the Chief Procurement
11 Officer provided for under paragraph (4) of subsection (a) of
12 Section 10-20 of the Illinois Procurement Code.

13 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
14 eff. 12-23-09.)

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

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

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

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

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

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

11 Any vacancy occurring in the office of the Superintendent
12 shall be filled in the same manner as the original appointment.
13 In case of a vacancy during the recess of the Senate, the
14 Governor shall make a temporary appointment until the next
15 meeting of the Senate, when the Governor shall nominate some
16 person to fill the office, and any person so nominated who is
17 confirmed by the Senate shall hold office during the remainder
18 of the term and until his or her successor is appointed and
19 qualified.

20 (b) The Superintendent shall devote his or her entire time
21 and attention to the duties of the office and shall not be
22 engaged in any other profession or occupation. The
23 Superintendent shall receive such salary as shall be provided
24 by law.

25 The Superintendent shall:

26 (1) be qualified by training and experience to direct a

1 lottery, including, at a minimum, 5 years of senior
2 executive-level experience in the successful advertising,
3 marketing, and selling of consumer products or 5 years of
4 successful experience directing a lottery on behalf of a
5 governmental entity;

6 (2) have significant and meaningful management and
7 regulatory experience; and

8 (3) have a good reputation, particularly as a person of
9 honesty, independence, and integrity.

10 The Superintendent shall not during his or her term of
11 appointment: become a candidate for any elective office; hold
12 any other elected or appointed public office; be actively
13 involved in the affairs of any political party or political
14 organization; advocate for the appointment of another person to
15 an appointed or elected office or position; or actively
16 participate in any campaign for any elective office. The
17 Superintendent may be appointed to serve on a governmental
18 advisory or board study commission or as otherwise expressly
19 authorized by law.

20 (c) No person shall perform the duties and functions of the
21 Superintendent, or otherwise exercise the authority of the
22 Superintendent, unless the same shall have been appointed by
23 the Governor pursuant to this Section.

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

25 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

1 Sec. 6. There is hereby created an independent board to be
2 known as the Lottery Control Board, consisting of 5 members,
3 all of whom shall be citizens of the United States and
4 residents of this State and shall be appointed by the Governor
5 with the advice and consent of the Senate. No more than 3 of
6 the 5 members shall be members of the same political party. A
7 chairman of the Board shall be chosen annually from the
8 membership of the Board by a majority of the members of the
9 Board at the first meeting of the Board each fiscal year.

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

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

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

26 Board members shall receive as compensation for their

1 services \$100 for each day they are in attendance at any
2 official board meeting, but in no event shall members receive
3 more than \$1,200 per year. They shall receive no other
4 compensation for their services, but shall be reimbursed for
5 necessary traveling and other reasonable expenses incurred in
6 the performance of their official duties. Each member shall
7 make a full financial disclosure upon appointment.

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

14 Three members of the Board shall constitute a quorum, and 3
15 votes shall be required for any final determination by the
16 Board. The Board shall keep a complete and accurate record of
17 all its meetings.

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

19 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

20 Sec. 7.1. The Department shall promulgate such rules and
21 regulations governing the establishment and operation of a
22 State lottery as it deems necessary to carry out the purposes
23 of this Act. Such rules and regulations shall be subject to the
24 provisions of The Illinois Administrative Procedure Act. The
25 Department ~~Division~~ shall issue written game rules, play

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

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

23 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

24 Sec. 7.6. The Board shall advise and make recommendations
25 to the Superintendent ~~or the Director~~ regarding the functions

1 and operations of the State Lottery. A copy of all such
2 recommendations shall also be forwarded to the Governor, the
3 Attorney General, the Speaker of the House, the President of
4 the Senate and the minority leaders of both houses.

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

6 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

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

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

20 (20 ILCS 1605/7.12)

21 Sec. 7.12. Internet pilot program. The General Assembly
22 finds that:

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

1 (2) the Internet has become an integral part of
2 everyday life for a significant number of Illinois
3 residents not only in regards to their professional life,
4 but also in regards to personal business and communication;
5 and

6 (3) the current practices of selling lottery tickets
7 does not appeal to the new form of market participants who
8 prefer to make purchases on the internet at their own
9 convenience.

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

13 The Department shall create a pilot program that allows an
14 individual 18 years of age or older to purchase lottery tickets
15 or shares on the Internet without using a Lottery retailer with
16 on-line status, as those terms are defined by rule. The
17 Department shall restrict the sale of lottery tickets on the
18 Internet to transactions initiated and received or otherwise
19 made exclusively within the State of Illinois. The Department
20 shall adopt rules necessary for the administration of this
21 program. These rules shall include requirements for marketing
22 of the Lottery to infrequent players. The provisions of this
23 Act and the rules adopted under this Act shall apply to the
24 sale of lottery tickets or shares under this program.

25 Before beginning the pilot program, the Department of the
26 Lottery Revenue must submit a request to the United States

1 Department of Justice for review of the State's plan to
2 implement a pilot program for the sale of lottery tickets on
3 the Internet and its propriety under federal law. The
4 Department shall implement the Internet pilot program only if
5 the Department of Justice does not object to the implementation
6 of the program within a reasonable period of time after its
7 review.

8 The Department is obligated to implement the pilot program
9 set forth in this Section and Sections 7.15 and 7.16 only at
10 such time, and to such extent, that the Department of Justice
11 does not object to the implementation of the program within a
12 reasonable period of time after its review. While the Illinois
13 Lottery may only offer Lotto and Mega Millions games through
14 the pilot program, the Department shall request review from the
15 federal Department of Justice for the Illinois Lottery to sell
16 lottery tickets on the Internet on behalf of the State of
17 Illinois that are not limited to just these games.

18 The Department shall authorize the private manager to
19 implement and administer the program pursuant to the management
20 agreement entered into under Section 9.1 and in a manner
21 consistent with the provisions of this Section. If a private
22 manager has not been selected pursuant to Section 9.1 at the
23 time the Department is obligated to implement the pilot
24 program, then the Department shall not proceed with the pilot
25 program until after the selection of the private manager, at
26 which time the Department shall authorize the private manager

1 to implement and administer the program pursuant to the
2 management agreement entered into under Section 9.1 and in a
3 manner consistent with the provisions of this Section.

4 The pilot program shall last for not less than 36 months,
5 but not more than 48 months from the date of its initial
6 operation.

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

12 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
13 eff. 12-23-09.)

14 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

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

20 a. To supervise and administer the operation of the lottery
21 in accordance with the provisions of this Act or such rules and
22 regulations of the Department adopted thereunder.

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

25 c. To employ and direct such personnel in accord with the

1 Personnel Code, as may be necessary to carry out the purposes
2 of this Act. ~~The Superintendent may, subject to the approval of~~
3 ~~the Director, use the services, personnel, or facilities of the~~
4 ~~Department.~~ In addition, the Superintendent may by agreement
5 secure such services as he or she may deem necessary from any
6 other department, agency, or unit of the State government, and
7 may employ and compensate such consultants and technical
8 assistants as may be required and is otherwise permitted by
9 law.

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

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

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

1 Board, upon request, all books, records, files, and other
2 information and documents of his office; to advise the Board
3 and recommend such rules and regulations and such other matters
4 as he deems necessary and advisable to improve the operation
5 and administration of the lottery.

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

15 h. To enter into an agreement or agreements with the
16 management of state lotteries operated pursuant to the laws of
17 other states for the purpose of creating and operating a
18 multi-state lottery game wherein a separate and distinct prize
19 pool would be combined to award larger prizes to the public
20 than could be offered by the several state lotteries,
21 individually. No tickets or shares offered in connection with a
22 multi-state lottery game shall be sold within the State of
23 Illinois, except those offered by and through the Department.
24 No such agreement shall purport to pledge the full faith and
25 credit of the State of Illinois, nor shall the Department
26 expend State funds on a contractual basis in connection with

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

1 State of Illinois. No multi-state game prize awarded to a
2 nonresident of Illinois, with respect to a ticket or share
3 purchased in a state other than the State of Illinois, shall be
4 deemed to be a prize awarded under this Act for the purpose of
5 taxation under the Illinois Income Tax Act. The Department
6 shall promulgate such rules as may be appropriate to implement
7 the provisions of this Section.

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

17 j. To report monthly to the State Treasurer and the Lottery
18 Control Board a full and complete statement of lottery
19 revenues, prize disbursements and other expenses for each month
20 and the amounts to be transferred to the Common School Fund
21 pursuant to Section 7.2 or such other funds as are otherwise
22 authorized by Section 21.2 of this Act, and to make an annual
23 report, which shall include a full and complete statement of
24 lottery revenues, prize disbursements and other expenses, to
25 the Governor and the Board. All reports required by this
26 subsection shall be public and copies of all such reports shall

1 be sent to the Speaker of the House, the President of the
2 Senate, and the minority leaders of both houses.

3 (Source: P.A. 96-37, eff. 7-13-09.)

4 (20 ILCS 1605/9.1)

5 Sec. 9.1. Private manager and management agreement.

6 (a) As used in this Section:

7 "Offeror" means a person or group of persons that responds
8 to a request for qualifications under this Section.

9 "Request for qualifications" means all materials and
10 documents prepared by the Department to solicit the following
11 from offerors:

12 (1) Statements of qualifications.

13 (2) Proposals to enter into a management agreement,
14 including the identity of any prospective vendor or vendors
15 that the offeror intends to initially engage to assist the
16 offeror in performing its obligations under the management
17 agreement.

18 "Final offer" means the last proposal submitted by an
19 offeror in response to the request for qualifications,
20 including the identity of any prospective vendor or vendors
21 that the offeror intends to initially engage to assist the
22 offeror in performing its obligations under the management
23 agreement.

24 "Final offeror" means the offeror ultimately selected by
25 the Governor to be the private manager for the Lottery under

1 subsection (h) of this Section.

2 (b) By September 15, 2010, the Governor shall select a
3 private manager for the total management of the Lottery with
4 integrated functions, such as lottery game design, supply of
5 goods and services, and advertising and as specified in this
6 Section.

7 (c) Pursuant to the terms of this subsection, the
8 Department shall endeavor to expeditiously terminate the
9 existing contracts in support of the Lottery in effect on the
10 effective date of this amendatory Act of the 96th General
11 Assembly in connection with the selection of the private
12 manager. As part of its obligation to terminate these contracts
13 and select the private manager, the Department shall establish
14 a mutually agreeable timetable to transfer the functions of
15 existing contractors to the private manager so that existing
16 Lottery operations are not materially diminished or impaired
17 during the transition. To that end, the Department shall do the
18 following:

19 (1) where such contracts contain a provision
20 authorizing termination upon notice, the Department shall
21 provide notice of termination to occur upon the mutually
22 agreed timetable for transfer of functions;

23 (2) upon the expiration of any initial term or renewal
24 term of the current Lottery contracts, the Department shall
25 not renew such contract for a term extending beyond the
26 mutually agreed timetable for transfer of functions; or

1 (3) in the event any current contract provides for
2 termination of that contract upon the implementation of a
3 contract with the private manager, the Department shall
4 perform all necessary actions to terminate the contract on
5 the date that coincides with the mutually agreed timetable
6 for transfer of functions.

7 If the contracts to support the current operation of the
8 Lottery in effect on the effective date of this amendatory Act
9 of the 96th General Assembly are not subject to termination as
10 provided for in this subsection (c), then the Department may
11 include a provision in the contract with the private manager
12 specifying a mutually agreeable methodology for incorporation.

13 (c-5) The Department shall include provisions in the
14 management agreement whereby the private manager shall, for a
15 fee, and pursuant to a contract negotiated with the Department
16 (the "Employee Use Contract"), utilize the services of current
17 Department employees to assist in the administration and
18 operation of the Lottery. The Department shall be the employer
19 of all such bargaining unit employees assigned to perform such
20 work for the private manager, and such employees shall be State
21 employees, as defined by the Personnel Code. Department
22 employees shall operate under the same employment policies,
23 rules, regulations, and procedures, as other employees of the
24 Department. In addition, neither historical representation
25 rights under the Illinois Public Labor Relations Act, nor
26 existing collective bargaining agreements, shall be disturbed

1 by the management agreement with the private manager for the
2 management of the Lottery.

3 (d) The management agreement with the private manager shall
4 include all of the following:

5 (1) A term not to exceed 10 years, including any
6 renewals.

7 (2) A provision specifying that the Department:

8 (A) shall exercise actual control over all
9 significant business decisions;

10 (A-5) has the authority to direct or countermand
11 operating decisions by the private manager at any time;

12 (B) has ready access at any time to information
13 regarding Lottery operations;

14 (C) has the right to demand and receive information
15 from the private manager concerning any aspect of the
16 Lottery operations at any time; and

17 (D) retains ownership of all trade names,
18 trademarks, and intellectual property associated with
19 the Lottery.

20 (3) A provision imposing an affirmative duty on the
21 private manager to provide the Department with material
22 information and with any information the private manager
23 reasonably believes the Department would want to know to
24 enable the Department to conduct the Lottery.

25 (4) A provision requiring the private manager to
26 provide the Department with advance notice of any operating

1 decision that bears significantly on the public interest,
2 including, but not limited to, decisions on the kinds of
3 games to be offered to the public and decisions affecting
4 the relative risk and reward of the games being offered, so
5 the Department has a reasonable opportunity to evaluate and
6 countermand that decision.

7 (5) A provision providing for compensation of the
8 private manager that may consist of, among other things, a
9 fee for services and a performance based bonus as
10 consideration for managing the Lottery, including terms
11 that may provide the private manager with an increase in
12 compensation if Lottery revenues grow by a specified
13 percentage in a given year.

14 (6) (Blank).

15 (7) A provision requiring the deposit of all Lottery
16 proceeds to be deposited into the State Lottery Fund except
17 as otherwise provided in Section 20 of this Act.

18 (8) A provision requiring the private manager to locate
19 its principal office within the State.

20 (8-5) A provision encouraging that at least 20% of the
21 cost of contracts entered into for goods and services by
22 the private manager in connection with its management of
23 the Lottery, other than contracts with sales agents or
24 technical advisors, be awarded to businesses that are a
25 minority owned business, a female owned business, or a
26 business owned by a person with disability, as those terms

1 are defined in the Business Enterprise for Minorities,
2 Females, and Persons with Disabilities Act.

3 (9) A requirement that so long as the private manager
4 complies with all the conditions of the agreement under the
5 oversight of the Department, the private manager shall have
6 the following duties and obligations with respect to the
7 management of the Lottery:

8 (A) The right to use equipment and other assets
9 used in the operation of the Lottery.

10 (B) The rights and obligations under contracts
11 with retailers and vendors.

12 (C) The implementation of a comprehensive security
13 program by the private manager.

14 (D) The implementation of a comprehensive system
15 of internal audits.

16 (E) The implementation of a program by the private
17 manager to curb compulsive gambling by persons playing
18 the Lottery.

19 (F) A system for determining (i) the type of
20 Lottery games, (ii) the method of selecting winning
21 tickets, (iii) the manner of payment of prizes to
22 holders of winning tickets, (iv) the frequency of
23 drawings of winning tickets, (v) the method to be used
24 in selling tickets, (vi) a system for verifying the
25 validity of tickets claimed to be winning tickets,
26 (vii) the basis upon which retailer commissions are

1 established by the manager, and (viii) minimum
2 payouts.

3 (10) A requirement that advertising and promotion must
4 be consistent with Section 7.8a of this Act.

5 (11) A requirement that the private manager market the
6 Lottery to those residents who are new, infrequent, or
7 lapsed players of the Lottery, especially those who are
8 most likely to make regular purchases on the Internet as
9 permitted by law.

10 (12) A code of ethics for the private manager's
11 officers and employees.

12 (13) A requirement that the Department monitor and
13 oversee the private manager's practices and take action
14 that the Department considers appropriate to ensure that
15 the private manager is in compliance with the terms of the
16 management agreement, while allowing the manager, unless
17 specifically prohibited by law or the management
18 agreement, to negotiate and sign its own contracts with
19 vendors.

20 (14) A provision requiring the private manager to
21 periodically file, at least on an annual basis, appropriate
22 financial statements in a form and manner acceptable to the
23 Department.

24 (15) Cash reserves requirements.

25 (16) Procedural requirements for obtaining the prior
26 approval of the Department when a management agreement or

1 an interest in a management agreement is sold, assigned,
2 transferred, or pledged as collateral to secure financing.

3 (17) Grounds for the termination of the management
4 agreement by the Department or the private manager.

5 (18) Procedures for amendment of the agreement.

6 (19) A provision requiring the private manager to
7 engage in an open and competitive bidding process for any
8 procurement having a cost in excess of \$50,000 that is not
9 a part of the private manager's final offer. The process
10 shall favor the selection of a vendor deemed to have
11 submitted a proposal that provides the Lottery with the
12 best overall value. The process shall not be subject to the
13 provisions of the Illinois Procurement Code, unless
14 specifically required by the management agreement.

15 (20) The transition of rights and obligations,
16 including any associated equipment or other assets used in
17 the operation of the Lottery, from the manager to any
18 successor manager of the lottery, including the
19 Department, following the termination of or foreclosure
20 upon the management agreement.

21 (21) Right of use of copyrights, trademarks, and
22 service marks held by the Department in the name of the
23 State. The agreement must provide that any use of them by
24 the manager shall only be for the purpose of fulfilling its
25 obligations under the management agreement during the term
26 of the agreement.

1 (22) The disclosure of any information requested by the
2 Department to enable it to comply with the reporting
3 requirements and information requests provided for under
4 subsection (p) of this Section.

5 (e) Notwithstanding any other law to the contrary, the
6 Department shall select a private manager through a competitive
7 request for qualifications process consistent with Section
8 20-35 of the Illinois Procurement Code, which shall take into
9 account:

10 (1) the offeror's ability to market the Lottery to
11 those residents who are new, infrequent, or lapsed players
12 of the Lottery, especially those who are most likely to
13 make regular purchases on the Internet;

14 (2) the offeror's ability to address the State's
15 concern with the social effects of gambling on those who
16 can least afford to do so;

17 (3) the offeror's ability to provide the most
18 successful management of the Lottery for the benefit of the
19 people of the State based on current and past business
20 practices or plans of the offeror; and

21 (4) the offeror's poor or inadequate past performance
22 in servicing, equipping, operating or managing a lottery on
23 behalf of Illinois, another State or foreign government and
24 attracting persons who are not currently regular players of
25 a lottery.

26 (f) The Department may retain the services of an advisor or

1 advisors with significant experience in financial services or
2 the management, operation, and procurement of goods, services,
3 and equipment for a government-run lottery to assist in the
4 preparation of the terms of the request for qualifications and
5 selection of the private manager. Any prospective advisor
6 seeking to provide services under this subsection (f) shall
7 disclose any material business or financial relationship
8 during the past 3 years with any potential offeror, or with a
9 contractor or subcontractor presently providing goods,
10 services, or equipment to the Department to support the
11 Lottery. The Department shall evaluate the material business or
12 financial relationship of each prospective advisor. The
13 Department shall not select any prospective advisor with a
14 substantial business or financial relationship that the
15 Department deems to impair the objectivity of the services to
16 be provided by the prospective advisor. During the course of
17 the advisor's engagement by the Department, and for a period of
18 one year thereafter, the advisor shall not enter into any
19 business or financial relationship with any offeror or any
20 vendor identified to assist an offeror in performing its
21 obligations under the management agreement. Any advisor
22 retained by the Department shall be disqualified from being an
23 offeror. The Department shall not include terms in the request
24 for qualifications that provide a material advantage whether
25 directly or indirectly to any potential offeror, or any
26 contractor or subcontractor presently providing goods,

1 services, or equipment to the Department to support the
2 Lottery, including terms contained in previous responses to
3 requests for proposals or qualifications submitted to
4 Illinois, another State or foreign government when those terms
5 are uniquely associated with a particular potential offeror,
6 contractor, or subcontractor. The request for proposals
7 offered by the Department on December 22, 2008 as
8 "LOT08GAMESYS" and reference number "22016176" is declared
9 void.

10 (g) The Department shall select at least 2 offerors as
11 finalists to potentially serve as the private manager no later
12 than August 9, 2010. Upon making preliminary selections, the
13 Department shall schedule a public hearing on the finalists'
14 proposals and provide public notice of the hearing at least 7
15 calendar days before the hearing. The notice must include all
16 of the following:

17 (1) The date, time, and place of the hearing.

18 (2) The subject matter of the hearing.

19 (3) A brief description of the management agreement to
20 be awarded.

21 (4) The identity of the offerors that have been
22 selected as finalists to serve as the private manager.

23 (5) The address and telephone number of the Department.

24 (h) At the public hearing, the Department shall (i) provide
25 sufficient time for each finalist to present and explain its
26 proposal to the Department and the Governor or the Governor's

1 designee, including an opportunity to respond to questions
2 posed by the Department, Governor, or designee and (ii) allow
3 the public and non-selected offerors to comment on the
4 presentations. The Governor or a designee shall attend the
5 public hearing. After the public hearing, the Department shall
6 have 14 calendar days to recommend to the Governor whether a
7 management agreement should be entered into with a particular
8 finalist. After reviewing the Department's recommendation, the
9 Governor may accept or reject the Department's recommendation,
10 and shall select a final offeror as the private manager by
11 publication of a notice in the Illinois Procurement Bulletin on
12 or before September 15, 2010. The Governor shall include in the
13 notice a detailed explanation and the reasons why the final
14 offeror is superior to other offerors and will provide
15 management services in a manner that best achieves the
16 objectives of this Section. The Governor shall also sign the
17 management agreement with the private manager.

18 (i) Any action to contest the private manager selected by
19 the Governor under this Section must be brought within 7
20 calendar days after the publication of the notice of the
21 designation of the private manager as provided in subsection
22 (h) of this Section.

23 (j) The Lottery shall remain, for so long as a private
24 manager manages the Lottery in accordance with provisions of
25 this Act, a Lottery conducted by the State, and the State shall
26 not be authorized to sell or transfer the Lottery to a third

1 party.

2 (k) Any tangible personal property used exclusively in
3 connection with the lottery that is owned by the Department and
4 leased to the private manager shall be owned by the Department
5 in the name of the State and shall be considered to be public
6 property devoted to an essential public and governmental
7 function.

8 (l) The Department may exercise any of its powers under
9 this Section or any other law as necessary or desirable for the
10 execution of the Department's powers under this Section.

11 (m) Neither this Section nor any management agreement
12 entered into under this Section prohibits the General Assembly
13 from authorizing forms of gambling that are not in direct
14 competition with the Lottery.

15 (n) The private manager shall be subject to a complete
16 investigation in the third, seventh, and tenth years of the
17 agreement (if the agreement is for a 10-year term) by the
18 Department in cooperation with the Auditor General to determine
19 whether the private manager has complied with this Section and
20 the management agreement. The private manager shall bear the
21 cost of an investigation or reinvestigation of the private
22 manager under this subsection.

23 (o) The powers conferred by this Section are in addition
24 and supplemental to the powers conferred by any other law. If
25 any other law or rule is inconsistent with this Section,
26 including, but not limited to, provisions of the Illinois

1 Procurement Code, then this Section controls as to any
2 management agreement entered into under this Section. This
3 Section and any rules adopted under this Section contain full
4 and complete authority for a management agreement between the
5 Department and a private manager. No law, procedure,
6 proceeding, publication, notice, consent, approval, order, or
7 act by the Department or any other officer, Department, agency,
8 or instrumentality of the State or any political subdivision is
9 required for the Department to enter into a management
10 agreement under this Section. This Section contains full and
11 complete authority for the Department to approve any contracts
12 entered into by a private manager with a vendor providing
13 goods, services, or both goods and services to the private
14 manager under the terms of the management agreement, including
15 subcontractors of such vendors.

16 Upon receipt of a written request from the Chief
17 Procurement Officer, the Department shall provide to the Chief
18 Procurement Officer a complete and un-redacted copy of the
19 management agreement or any contract that is subject to the
20 Department's approval authority under this subsection. The
21 Department shall produce that copy in the time specified by the
22 Chief Procurement Officer in his or her written request. The
23 Department shall also provide the Chief Procurement Officer
24 with reasonable advance written notice of any contract that is
25 pending Department approval.

26 Notwithstanding any other provision of this Section to the

1 contrary, the Chief Procurement Officer shall adopt
2 administrative rules, including emergency rules, to establish
3 a procurement process to select a successor private manager if
4 a private management agreement has been terminated. The
5 selection process shall at a minimum take into account the
6 criteria set forth in items (1) through (4) of subsection (e)
7 of this Section and may include provisions consistent with
8 subsections (f), (g), (h), and (i) of this Section. The Chief
9 Procurement Officer shall also implement and administer the
10 adopted selection process upon the termination of a private
11 management agreement. The Department, with the approval of the
12 Chief Procurement Officer, shall select a final offeror as the
13 private manager and sign the management agreement with the
14 private manager.

15 Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and
16 21.8, the Department shall distribute all proceeds of lottery
17 tickets and shares sold in the following priority and manner:

18 (1) The payment of prizes and retailer bonuses.

19 (2) The payment of costs incurred in the operation and
20 administration of the Lottery, including the payment of
21 sums due to the private manager under the management
22 agreement with the Department ~~and payment of sums due to~~
23 ~~the private vendor for lottery tickets and shares sold on~~
24 ~~the Internet via the pilot program as compensation under~~
25 ~~its contract with the Department.~~

26 (3) On the last day of each month or as soon thereafter

1 as possible, the State Comptroller shall direct and the
2 State Treasurer shall transfer from the Lottery Fund to the
3 Common School Fund an amount that is equal to the proceeds
4 transferred in the corresponding month of fiscal year 2009,
5 as adjusted for inflation, to the Common School Fund.

6 (4) On or before the last day of each fiscal year,
7 deposit any remaining proceeds, subject to payments under
8 items (1), (2), and (3) into the Capital Projects Fund each
9 fiscal year.

10 (p) The Department shall be subject to the following
11 reporting and information request requirements:

12 (1) the Department shall submit written monthly
13 reports to the Chief Procurement Officer on the activities
14 and actions of the private manager selected under this
15 Section. The Chief Procurement Officer may determine the
16 format for the written monthly reports;

17 (2) the Department shall also fully cooperate and
18 respond promptly in writing to all inquiries and comments
19 of the Chief Procurement Officer with respect to any
20 conduct taken by the Department or by the private manager
21 selected under this Section to implement, execute, or
22 administer the provisions of this Section;

23 (3) upon request of the Chief Procurement Officer, the
24 Department shall promptly produce information requested by
25 the Chief Procurement Officer; and

26 (4) at least 30 days prior to the beginning of the

1 Department's fiscal year, the Department shall prepare an
2 annual written report on the activities of the private
3 manager selected under this Section; the report shall be
4 delivered to the Chief Procurement Officer and to the
5 General Assembly.

6 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
7 eff. 12-23-09.)

8 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

9 Sec. 10. The Department ~~Division~~, upon application
10 therefor on forms prescribed by the Department ~~Division~~, and
11 upon a determination by the Department ~~Division~~ that the
12 applicant meets all of the qualifications specified in this
13 Act, shall issue a license as an agent to sell lottery tickets
14 or shares. No license as an agent to sell lottery tickets or
15 shares shall be issued to any person to engage in business
16 exclusively as a lottery sales agent.

17 Before issuing such license the Superintendent shall
18 consider (a) the financial responsibility and security of the
19 person and his business or activity, (b) the accessibility of
20 his place of business or activity to the public, (c) the
21 sufficiency of existing licenses to serve the public
22 convenience, (d) the volume of expected sales, and (e) such
23 other factors as he or she may deem appropriate.

24 Until September 1, 1987, the provisions of Sections 2a, 4,
25 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,

1 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
2 not inconsistent with this Act shall apply to the subject
3 matter of this Act to the same extent as if such provisions
4 were included in this Act. For purposes of this Act, references
5 in such incorporated Sections of the Retailers' Occupation Tax
6 Act to retailers, sellers or persons engaged in the business of
7 selling tangible personal property mean persons engaged in
8 selling lottery tickets or shares; references in such
9 incorporated Sections to sales of tangible personal property
10 mean the selling of lottery tickets or shares; and references
11 in such incorporated Sections to certificates of registration
12 mean licenses issued under this Act. The provisions of the
13 Retailers' Occupation Tax Act as heretofore applied to the
14 subject matter of this Act shall not apply with respect to
15 tickets sold by or delivered to lottery sales agents on and
16 after September 1, 1987, but such provisions shall continue to
17 apply with respect to transactions involving the sale and
18 delivery of tickets prior to September 1, 1987.

19 All licenses issued by the Department ~~Division~~ under this
20 Act shall be valid for a period not to exceed 2 years after
21 issuance unless sooner revoked, canceled or suspended as in
22 this Act provided. No license issued under this Act shall be
23 transferable or assignable. Such license shall be
24 conspicuously displayed in the place of business conducted by
25 the licensee in Illinois where lottery tickets or shares are to
26 be sold under such license.

1 For purposes of this Section, the term "person" shall be
2 construed to mean and include an individual, association,
3 partnership, corporation, club, trust, estate, society,
4 company, joint stock company, receiver, trustee, referee, any
5 other person acting in a fiduciary or representative capacity
6 who is appointed by a court, or any combination of individuals.
7 "Person" includes any department, commission, agency or
8 instrumentality of the State, including any county, city,
9 village, or township and any agency or instrumentality thereof.
10 (Source: P.A. 94-776, eff. 5-19-06.)

11 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

12 Sec. 10.1. The following are ineligible for any license
13 under this Act:

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

15 (b) any person who is or has been a professional gambler or
16 gambling promoter;

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

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

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

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

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

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

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

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

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

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

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

22 The Department ~~Division~~ may revoke, without notice or a
23 hearing, the license of any agent who violates this Act or any
24 rule or regulation promulgated pursuant to this Act. However,
25 if the Department ~~Division~~ does revoke a license without notice
26 and an opportunity for a hearing, the Department ~~Division~~

1 shall, by appropriate notice, afford the person whose license
2 has been revoked an opportunity for a hearing within 30 days
3 after the revocation order has been issued. As a result of any
4 such hearing, the Department ~~Division~~ may confirm its action in
5 revoking the license, or it may order the restoration of such
6 license.

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

8 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

9 Sec. 10.1a. In addition to other grounds specified in this
10 Act, the Department ~~Division~~ shall refuse to issue and shall
11 suspend the license of any lottery sales agency who fails to
12 file a return, or to pay the tax, penalty or interest shown in
13 a filed return, or to pay any final assessment of tax, penalty
14 or interest, as required by any tax Act administered by the
15 Department of Revenue, until such time as the requirements of
16 any such tax Act are satisfied, unless the agency is
17 contesting, in accordance with the procedures established by
18 the appropriate revenue Act, its liability for the tax or the
19 amount of tax. The Department ~~Division~~ shall affirmatively
20 verify the tax status of every sales agency before issuing or
21 renewing a license. For purposes of this Section, a sales
22 agency shall not be considered delinquent in the payment of a
23 tax if the agency (a) has entered into an agreement with the
24 Department of Revenue for the payment of all such taxes that
25 are due and (b) is in compliance with the agreement.

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

2 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

3 Sec. 10.2. Application and other fees. Each application
4 for a new lottery license must be accompanied by a one-time
5 application fee of \$50; the Department ~~Division~~, however, may
6 waive the fee for licenses of limited duration as provided by
7 Department rule. Each application for renewal of a lottery
8 license must be accompanied by a renewal fee of \$25. Each
9 lottery licensee granted on-line status pursuant to the
10 Department's rules must pay a fee of \$10 per week as partial
11 reimbursement for telecommunications charges incurred by the
12 Department in providing access to the lottery's on-line gaming
13 system. The Department, by rule, may increase or decrease the
14 amount of these fees.

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

16 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

17 Sec. 10.6. The Department ~~Division~~ shall make an effort to
18 more directly inform players of the odds of winning prizes.
19 This effort shall include, at a minimum, that the Department
20 ~~Division~~ require all ticket agents to display a placard stating
21 the odds of winning for each game offered by that agent.

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

23 (20 ILCS 1605/10.7)

1 Sec. 10.7. Compulsive gambling.

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

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

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

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

24 (20 ILCS 1605/10.8)

25 Sec. 10.8. Specialty retailers license.

1 (a) "Veterans service organization" means an organization
2 that:

3 (1) is formed by and for United States military
4 veterans;

5 (2) is chartered by the United States Congress and
6 incorporated in the State of Illinois;

7 (3) maintains a state headquarters office in the State
8 of Illinois; and

9 (4) is not funded by the State of Illinois or by any
10 county in this State.

11 (b) The Department ~~Division~~ shall establish a special
12 classification of retailer license to facilitate the
13 year-round sale of the instant scratch-off lottery game
14 established by the General Assembly in Section 21.6. The fees
15 set forth in Section 10.2 do not apply to a specialty retailer
16 license.

17 The holder of a specialty retailer license (i) shall be a
18 veterans service organization, (ii) may sell only specialty
19 lottery tickets established for the benefit of the Veterans
20 Assistance Fund in the State treasury, (iii) is required to
21 purchase those tickets up front at face value from the Illinois
22 Lottery, and (iv) must sell those tickets at face value.
23 Specialty retailers may obtain a refund from the Department
24 ~~Division~~ for any unsold specialty tickets that they have
25 purchased for resale, as set forth in the specialty retailer
26 agreement.

1 Specialty retailers shall receive a sales commission equal
2 to 2% of the face value of specialty game tickets purchased
3 from the Department, less adjustments for unsold tickets
4 returned to the Illinois Lottery for credit. Specialty
5 retailers may not cash winning tickets, but are entitled to a
6 1% bonus in connection with the sale of a winning specialty
7 game ticket having a price value of \$1,000 or more.

8 (Source: P.A. 96-1105, eff. 7-19-10.)

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

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

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

17 (ii) internal communications of the several agencies;

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

21 (iv) any creative proposals, scripts, storyboards or
22 other materials prepared by or for the Department ~~Division~~,
23 prior to the placement of the materials in the media, if
24 the prior release of the materials would compromise the
25 effectiveness of an advertising campaign.

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

2 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

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

1 10-17.5 of The Illinois Public Aid Code. The Director and the
2 Superintendent shall be discharged of all further liability
3 upon payment of a prize pursuant to this Section.

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

5 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

6 Sec. 14. No person shall sell a ticket or share at a price
7 greater than that fixed by rule or regulation of the Department
8 ~~or the Division~~. No person other than a licensed lottery sales
9 agent or distributor shall sell or resell lottery tickets or
10 shares. No person shall charge a fee to redeem a winning ticket
11 or share.

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

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

17 (20 ILCS 1605/14.3)

18 Sec. 14.3. Misuse of proprietary material prohibited.
19 Except as may be provided in Section 7.11, or by bona fide sale
20 or by prior authorization from the Department or the Division,
21 or otherwise by law, all premiums, promotional and other
22 proprietary material produced or acquired by the Department
23 ~~Division~~ as part of its advertising and promotional activities
24 shall remain the property of the Department. Nothing herein

1 shall be construed to affect the rights or obligations of the
2 Department or any other person under federal or State trademark
3 or copyright laws.

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

5 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

6 Sec. 19. The Department ~~Division~~ shall establish an
7 appropriate period for the claiming of prizes for each lottery
8 game offered. Each claim period shall be stated in game rules
9 and written play instructions issued by the Superintendent in
10 accordance with Section 7.1 of this Act. Written play
11 instructions shall be made available to all players through
12 sales agents licensed to sell game tickets or shares. Prizes
13 for lottery games which involve the purchase of a physical
14 lottery ticket may be claimed only by presentation of a valid
15 winning lottery ticket that matches validation records on file
16 with the Lottery; no claim may be honored which is based on the
17 assertion that the ticket was lost or stolen. No lottery ticket
18 which has been altered, mutilated, or fails to pass validation
19 tests shall be deemed to be a winning ticket.

20 If no claim is made for the money within the established
21 claim period, the prize may be included in the prize pool of
22 such special drawing or drawings as the Department ~~Division~~
23 may, from time to time, designate. Unclaimed multi-state game
24 prize money may be included in the multi-state prize pool for
25 such special drawing or drawings as the multi-state game

1 directors may, from time to time, designate. Any bonuses
2 offered by the Department to sales agents who sell winning
3 tickets or shares shall be payable to such agents regardless of
4 whether or not the prize money on the ticket or share is
5 claimed, provided that the agent can be identified as the
6 vendor of the winning ticket or share, and that the winning
7 ticket or share was sold on or after January 1, 1984. All
8 unclaimed prize money not included in the prize pool of a
9 special drawing shall be transferred to the Common School Fund.
10 (Source: P.A. 94-776, eff. 5-19-06.)

11 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

12 Sec. 20. State Lottery Fund.

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

1 (a-5) If for any reason the General Assembly fails to make
2 appropriations of amounts sufficient from the State Lottery
3 Fund to the Department for payment of prizes to holders of
4 winning lottery tickets or shares, including prizes related to
5 Multi-State Lottery games, and payment of promotional or
6 incentive prizes associated with the sale of lottery tickets,
7 pursuant to the provisions of this Law, then this subsection
8 constitutes an irrevocable and continuing appropriation of all
9 amounts necessary for that purpose, and the irrevocable and
10 continuing authority for and direction to the Comptroller and
11 to the Treasurer of the State to make the necessary transfers
12 out of and disbursements from the State Lottery Fund for that
13 purpose.

14 (b) The receipt and distribution of moneys under Section
15 21.5 of this Act shall be in accordance with Section 21.5.

16 (c) The receipt and distribution of moneys under Section
17 21.6 of this Act shall be in accordance with Section 21.6.

18 (d) The receipt and distribution of moneys under Section
19 21.7 of this Act shall be in accordance with Section 21.7.

20 (e) The receipt and distribution of moneys under Section
21 21.8 of this Act shall be in accordance with Section 21.8.

22 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
23 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.
24 10-11-07; 95-876, eff. 8-21-08.)

25 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

1 Sec. 20.1. Department account.

2 (a) The Department is authorized to pay validated prizes up
3 to \$25,000 from funds held by the Department in an account
4 separate and apart from all public moneys of the State. Moneys
5 in this account shall be administered by the Superintendent
6 ~~Director~~ exclusively for the purposes of issuing payments to
7 prize winners authorized by this Section. Moneys in this
8 account shall be deposited by the Department into the Public
9 Treasurers' Investment Pool established under Section 17 of the
10 State Treasurer Act. The Department shall submit vouchers from
11 time to time as needed for reimbursement of this account from
12 moneys appropriated for prizes from the State Lottery Fund.
13 Investment income earned from this account shall be deposited
14 monthly by the Department into the Common School Fund. The
15 Department shall file quarterly fiscal reports specifying the
16 activity of this account as required under Section 16 of the
17 State Comptroller Act, and shall file quarterly with the
18 General Assembly, the Auditor General, the Comptroller, and the
19 State Treasurer a report indicating the costs associated with
20 this activity.

21 (b) The Department is authorized to enter into an
22 interagency agreement with the Office of the Comptroller or any
23 other State agency to establish responsibilities, duties, and
24 procedures for complying with the Comptroller's Offset System
25 under Section 10.05 of the State Comptroller Act. All federal
26 and State tax reporting and withholding requirements relating

1 to prize winners under this Section shall be the responsibility
2 of the Department. Moneys from this account may not be used to
3 pay amounts to deferred prize winners. Moneys may not be
4 transferred from the State Lottery Fund to this account for
5 payment of prizes under this Section until procedures are
6 implemented to comply with the Comptroller's Offset System and
7 sufficient internal controls are in place to validate prizes.

8 (Source: P.A. 87-1197; 88-676, eff. 12-14-94.)

9 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

10 Sec. 21. All lottery sales agents or distributors shall be
11 liable to the Lottery for any and all tickets accepted or
12 generated by any employee or representative of that agent or
13 distributor, and such tickets shall be deemed to have been
14 purchased by the agent or distributor unless returned to the
15 Lottery within the time and in the manner prescribed by the
16 Superintendent. All moneys received by such agents or
17 distributors from the sale of lottery tickets or shares, less
18 the amount retained as compensation for the sale of the tickets
19 or shares and the amount paid out as prizes, shall be paid over
20 to a lottery representative or deposited in a bank or savings
21 and loan association approved by the State Treasurer, as
22 prescribed by the Superintendent.

23 No bank or savings and loan association shall receive
24 public funds as permitted by this Section, unless it has
25 complied with the requirements established pursuant to Section

1 6 of the Public Funds Investment Act.

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

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

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

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

1 portion thereof, including interest, penalty and costs, due the
2 Lottery.

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

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

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

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

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

5 (20 ILCS 1605/21.5)

6 Sec. 21.5. Ticket For The Cure.

7 (a) The Department shall offer a special instant
8 scratch-off game with the title of "Ticket For The Cure". The
9 game shall commence on January 1, 2006 or as soon thereafter,
10 in the discretion of the Superintendent ~~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 Carolyn Adams Ticket For The Cure Grant Fund is
21 created as a special fund in the State treasury. The net
22 revenue from the Ticket For The Cure special instant
23 scratch-off game shall be deposited into the Fund for
24 appropriation by the General Assembly solely to the Department
25 of Public Health for the purpose of making grants to public or

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

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

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

26 (c) During the time that tickets are sold for the Ticket

1 For The Cure game, the Department shall not unreasonably
2 diminish the efforts devoted to marketing any other instant
3 scratch-off lottery game.

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

6 (Source: P.A. 96-1290, eff. 7-26-10.)

7 (20 ILCS 1605/21.6)

8 Sec. 21.6. Scratch-off for Illinois veterans.

9 (a) The Department shall offer a special instant
10 scratch-off game for the benefit of Illinois veterans. The game
11 shall commence on January 1, 2006 or as soon thereafter, at the
12 discretion of the Superintendent ~~Director~~, as is reasonably
13 practical. The operation of the game shall be governed by this
14 Act and any rules adopted by the Department. If any provision
15 of this Section is inconsistent with any other provision of
16 this Act, then this Section governs.

17 (b) The Illinois Veterans Assistance Fund is created as a
18 special fund in the State treasury. The net revenue from the
19 Illinois veterans scratch-off game shall be deposited into the
20 Fund for appropriation by the General Assembly solely to the
21 Department of Veterans Affairs for making grants, funding
22 additional services, or conducting additional research
23 projects relating to each of the following:

24 (i) veterans' post traumatic stress disorder;

25 (ii) veterans' homelessness;

- 1 (iii) the health insurance costs of veterans;
- 2 (iv) veterans' disability benefits, including but not
3 limited to, disability benefits provided by veterans
4 service organizations and veterans assistance commissions
5 or centers; and
- 6 (v) the long-term care of veterans; provided that,
7 beginning with moneys appropriated for fiscal year 2008, no
8 more than 20% of such moneys shall be used for health
9 insurance costs.

10 In order to expend moneys from this special fund,
11 beginning with moneys appropriated for fiscal year 2008,
12 the Director of Veterans' Affairs shall appoint a 3-member
13 funding authorization committee. The Superintendent
14 ~~Director~~ shall designate one of the members as chairperson.
15 The committee shall meet on a quarterly basis, at a
16 minimum, and shall authorize expenditure of moneys from the
17 special fund by a two-thirds vote. Decisions of the
18 committee shall not take effect unless and until approved
19 by the Director of Veterans' Affairs. Each member of the
20 committee shall serve until a replacement is named by the
21 Director of Veterans' Affairs. One member of the committee
22 shall be a member of the Veterans' Advisory Council.

23 Moneys collected from the special instant scratch-off game
24 shall be used only as a supplemental financial resource and
25 shall not supplant existing moneys that the Department of
26 Veterans Affairs may currently expend for the purposes set

1 forth in items (i) through (v).

2 Moneys received for the purposes of this Section,
3 including, without limitation, net revenue from the special
4 instant scratch-off game and from gifts, grants, and awards
5 from any public or private entity, must be deposited into the
6 Fund. Any interest earned on moneys in the Fund must be
7 deposited into the Fund.

8 For purposes of this subsection, "net revenue" means the
9 total amount for which tickets have been sold less the sum of
10 the amount paid out in the prizes and the actual administrative
11 expenses of the Department solely related to the scratch-off
12 game under this Section.

13 (c) During the time that tickets are sold for the Illinois
14 veterans scratch-off game, the Department shall not
15 unreasonably diminish the efforts devoted to marketing any
16 other instant scratch-off lottery game.

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

19 (Source: P.A. 94-585, eff. 8-15-05; 95-331, eff. 8-20-07;
20 95-649, eff. 10-11-07.)

21 (20 ILCS 1605/21.7)

22 Sec. 21.7. Scratch-out Multiple Sclerosis scratch-off
23 game.

24 (a) The Department shall offer a special instant
25 scratch-off game for the benefit of research pertaining to

1 multiple sclerosis. The game shall commence on July 1, 2008 or
2 as soon thereafter, in the discretion of the Superintendent
3 ~~Director~~, as is reasonably practical. The operation of the game
4 shall be governed by this Act and any rules adopted by the
5 Department. If any provision of this Section is inconsistent
6 with any other provision of this Act, then this Section
7 governs.

8 (b) The Multiple Sclerosis Research Fund is created as a
9 special fund in the State treasury. The net revenue from the
10 scratch-out multiple sclerosis scratch-off game created under
11 this Section shall be deposited into the Fund for appropriation
12 by the General Assembly to the Department of Public Health for
13 the purpose of making grants to organizations in Illinois that
14 conduct research pertaining to the repair of damage caused by
15 an acquired demyelinating disease of the central nervous
16 system.

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

23 For purposes of this Section, the term "research" includes,
24 without limitation, expenditures to develop and advance the
25 understanding, techniques, and modalities effective for
26 maintaining function, mobility, and strength through

1 preventive physical therapy or other treatments and to develop
2 and advance the repair of myelin, neuron, and axon damage
3 caused by an acquired demyelinating disease of the central
4 nervous system and the restoration of function, including but
5 not limited to, nervous system repair or neuroregeneration.

6 The grant funds may not be used for institutional,
7 organizational, or community-based overhead costs, indirect
8 costs, or levies.

9 For purposes of this subsection, "net revenue" means the
10 total amount for which tickets have been sold less the sum of
11 the amount paid out in the prizes and the actual administrative
12 expenses of the Department solely related to the scratch-off
13 game under this Section.

14 (c) During the time that tickets are sold for the
15 scratch-out multiple sclerosis scratch-off game, the
16 Department shall not unreasonably diminish the efforts devoted
17 to marketing any other instant scratch-off lottery game.

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

20 (Source: P.A. 95-673, eff. 10-11-07; 95-876, eff. 8-21-08.)

21 (20 ILCS 1605/21.8)

22 Sec. 21.8. Quality of Life scratch-off game.

23 (a) The Department shall offer a special instant
24 scratch-off game with the title of "Quality of Life". The game
25 shall commence on July 1, 2007 or as soon thereafter, in the

1 discretion of the Superintendent ~~Director~~, as is reasonably
2 practical, and shall be discontinued on December 31, 2012. The
3 operation of the game is governed by this Act and by any rules
4 adopted by the Department. The Department must consult with the
5 Quality of Life Board, which is established under Section
6 2310-348 of the Department of Public Health Powers and Duties
7 Law of the Civil Administrative Code of Illinois, regarding the
8 design and promotion of the game. If any provision of this
9 Section is inconsistent with any other provision of this Act,
10 then this Section governs.

11 (b) The Quality of Life Endowment Fund is created as a
12 special fund in the State treasury. The net revenue from the
13 Quality of Life special instant scratch-off game must be
14 deposited into the Fund for appropriation by the General
15 Assembly solely to the Department of Public Health for the
16 purpose of HIV/AIDS-prevention education and for making grants
17 to public or private entities in Illinois for the purpose of
18 funding organizations that serve the highest at-risk
19 categories for contracting HIV or developing AIDS. Grants shall
20 be targeted to serve at-risk populations in proportion to the
21 distribution of recent reported Illinois HIV/AIDS cases among
22 risk groups as reported by the Illinois Department of Public
23 Health. The recipient organizations must be engaged in
24 HIV/AIDS-prevention education and HIV/AIDS healthcare
25 treatment. The Department must, before grants are awarded,
26 provide copies of all grant applications to the Quality of Life

1 Board, receive and review the Board's recommendations and
2 comments, and consult with the Board regarding the grants.
3 Organizational size will determine an organization's
4 competitive slot in the "Request for Proposal" process.
5 Organizations with an annual budget of \$300,000 or less will
6 compete with like size organizations for 50% of the Quality of
7 Life annual fund. Organizations with an annual budget of
8 \$300,001 to \$700,000 will compete with like organizations for
9 25% of the Quality of Life annual fund, and organizations with
10 an annual budget of \$700,001 and upward will compete with like
11 organizations for 25% of the Quality of Life annual fund. The
12 lottery may designate a percentage of proceeds for marketing
13 purpose. The grant funds may not be used for institutional,
14 organizational, or community-based overhead costs, indirect
15 costs, or levies.

16 Grants awarded from the Fund are intended to augment the
17 current and future State funding for the prevention and
18 treatment of HIV/AIDS and are not intended to replace that
19 funding.

20 Moneys received for the purposes of this Section,
21 including, without limitation, net revenue from the special
22 instant scratch-off game and gifts, grants, and awards from any
23 public or private entity, must be deposited into the Fund. Any
24 interest earned on moneys in the Fund must be deposited into
25 the Fund.

26 For purposes of this subsection, "net revenue" means the

1 total amount for which tickets have been sold less the sum of
2 the amount paid out in prizes and the actual administrative
3 expenses of the Department solely related to the Quality of
4 Life game.

5 (c) During the time that tickets are sold for the Quality
6 of Life game, the Department shall not unreasonably diminish
7 the efforts devoted to marketing any other instant scratch-off
8 lottery game.

9 (d) The Department may adopt any rules necessary to
10 implement and administer the provisions of this Section in
11 consultation with the Quality of Life Board.

12 (Source: P.A. 95-674, eff. 10-11-07; 95-876, eff. 8-21-08.)

13 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

14 Sec. 27. (a) The State Treasurer may, with the consent of
15 the Superintendent ~~Director~~, contract with any person or
16 corporation, including, without limitation, a bank, banking
17 house, trust company or investment banking firm, to perform
18 such financial functions, activities or services in connection
19 with operation of the lottery as the State Treasurer and the
20 Superintendent ~~Director~~ may prescribe.

21 (b) All proceeds from investments made pursuant to
22 contracts executed by the State Treasurer, with the consent of
23 the Superintendent ~~Director~~, to perform financial functions,
24 activities or services in connection with operation of the
25 lottery, shall be deposited and held by the State Treasurer as

1 ex-officio custodian thereof, separate and apart from all
2 public money or funds of this State in a special trust fund
3 outside the State treasury. Such trust fund shall be known as
4 the "Deferred Lottery Prize Winners Trust Fund", and shall be
5 administered by the Superintendent ~~Director~~.

6 The Superintendent ~~Director~~ shall, at such times and in
7 such amounts as shall be necessary, prepare and send to the
8 State Comptroller vouchers requesting payment from the
9 Deferred Lottery Prize Winners Trust Fund to deferred prize
10 winners, in a manner that will insure the timely payment of
11 such amounts owed.

12 This Act shall constitute an irrevocable appropriation of
13 all amounts necessary for that purpose, and the irrevocable and
14 continuing authority for and direction to the Superintendent
15 ~~Director~~ and the State Treasurer to make the necessary payments
16 out of such trust fund for that purpose.

17 (c) Moneys invested pursuant to subsection (a) of this
18 Section may be invested only in bonds, notes, certificates of
19 indebtedness, treasury bills, or other securities constituting
20 direct obligations of the United States of America and all
21 securities or obligations the prompt payment of principal and
22 interest of which is guaranteed by a pledge of the full faith
23 and credit of the United States of America. Interest earnings
24 on moneys in the Deferred Lottery Prize Winners Trust Fund
25 shall remain in such fund and be used to pay the winners of
26 lottery prizes deferred as to payment until such obligations

1 are discharged. Proceeds from bonds purchased and interest
2 accumulated as a result of a grand prize multi-state game
3 ticket that goes unclaimed will be transferred after the
4 termination of the relevant claim period directly from the
5 lottery's Deferred Lottery Prize Winners Trust Fund to each
6 respective multi-state partner state according to its
7 contribution ratio.

8 (c-5) If a deferred lottery prize is not claimed within the
9 claim period established by game rule, then the securities or
10 other instruments purchased to fund the prize shall be
11 liquidated and the liquidated amount shall be transferred to
12 the State Lottery Fund for disposition pursuant to Section 19
13 of this Act.

14 (c-10) The Superintendent ~~Director~~ may use a portion of the
15 moneys in the Deferred Lottery Prize Winners Trust Fund to
16 purchase bonds to pay a lifetime prize if the prize duration
17 exceeds the length of available securities. If the winner of a
18 lifetime prize exceeds his or her life expectancy as determined
19 using actuarial assumptions and the securities or moneys set
20 aside to pay the prize have been exhausted, moneys in the State
21 Lottery Fund shall be used to make payments to the winner for
22 the duration of the winner's life.

23 (c-15) From time to time, the Superintendent ~~Director~~ may
24 request that the State Comptroller transfer any excess moneys
25 in the Deferred Lottery Prize Winners Trust Fund to the Lottery
26 Fund.

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

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

4 (20 ILCS 1605/29 new)

5 Sec. 29. The Department of the Lottery.

6 (a) Executive Order No. 2003-09 is hereby superseded by
7 this amendatory Act of the 97th General Assembly to the extent
8 that Executive Order No. 2003-09 transfers the powers, duties,
9 rights, and responsibilities of the Department of the Lottery
10 to the Division of the Lottery within the Department of
11 Revenue.

12 (b) The Division of the Lottery within the Department of
13 Revenue is hereby abolished and the Department of the Lottery
14 is created as an independent department. On July 1, 2011, all
15 powers, duties, rights, and responsibilities of the Division of
16 the Lottery within the Department of Revenue shall be
17 transferred to the Department of the Lottery.

18 (c) The personnel of the Division of the Lottery within the
19 Department of Revenue shall be transferred to the Department of
20 the Lottery. The status and rights of such employees under the
21 Personnel Code shall not be affected by the transfer. The
22 rights of the employees and the State of Illinois and its
23 agencies under the Personnel Code and applicable collective
24 bargaining agreements or under any pension, retirement, or
25 annuity plan shall not be affected by this amendatory Act of

1 the 97th General Assembly. To the extent that an employee
2 performs duties for the Division of the Lottery within the
3 Department of Revenue and the Department of Revenue itself or
4 any other division or agency within the Department of Revenue,
5 that employee shall be transferred at the Superintendent's
6 discretion.

7 (d) All books, records, papers, documents, property (real
8 and personal), contracts, causes of action, and pending
9 business pertaining to the powers, duties, rights, and
10 responsibilities transferred by this amendatory Act of the 97th
11 General Assembly from the Division of the Lottery within the
12 Department of Revenue to the Department of the Lottery,
13 including, but not limited to, material in electronic or
14 magnetic format and necessary computer hardware and software,
15 shall be transferred to the Department of the Lottery.

16 (e) All unexpended appropriations and balances and other
17 funds available for use by the Division of the Lottery within
18 the Department of Revenue shall be transferred for use by the
19 Department of the Lottery pursuant to the direction of the
20 Superintendent. Unexpended balances so transferred shall be
21 expended only for the purpose for which the appropriations were
22 originally made.

23 (f) The powers, duties, rights, and responsibilities
24 transferred from the Division of the Lottery within the
25 Department of Revenue by this amendatory Act of the 97th
26 General Assembly shall be vested in and shall be exercised by

1 the Department of the Lottery.

2 (g) Whenever reports or notices are now required to be made
3 or given or papers or documents furnished or served by any
4 person to or upon the Division of the Lottery within the
5 Department of Revenue in connection with any of the powers,
6 duties, rights, and responsibilities transferred by this
7 amendatory Act of the 97th General Assembly, the same shall be
8 made, given, furnished, or served in the same manner to or upon
9 the Department of the Lottery.

10 (h) This amendatory Act of the 97th General Assembly does
11 not affect any act done, ratified, or canceled or any right
12 occurring or established or any action or proceeding had or
13 commenced in an administrative, civil, or criminal cause by the
14 Division of the Lottery within the Department of Revenue before
15 this amendatory Act of the 97th General Assembly takes effect;
16 such actions or proceedings may be prosecuted and continued by
17 the Department of the Lottery.

18 (i) Any rules of the Division of the Lottery within the
19 Department of Revenue, including any rules of its predecessor
20 Department of the Lottery, that relate to its powers, duties,
21 rights, and responsibilities and are in full force on the
22 effective date of this amendatory Act of the 97th General
23 Assembly shall become the rules of the recreated Department of
24 the Lottery. This amendatory Act of the 97th General Assembly
25 does not affect the legality of any such rules in the Illinois
26 Administrative Code.

1 Any proposed rules filed with the Secretary of State by the
2 Division of the Lottery within the Department of Revenue that
3 are pending in the rulemaking process on the effective date of
4 this amendatory Act of the 97th General Assembly and pertain to
5 the powers, duties, rights, and responsibilities transferred,
6 shall be deemed to have been filed by the Department of the
7 Lottery. As soon as practicable hereafter, the Department of
8 the Lottery shall revise and clarify the rules transferred to
9 it under this amendatory Act of the 97th General Assembly to
10 reflect the reorganization of powers, duties, rights, and
11 responsibilities affected by this amendatory Act, using the
12 procedures for recodification of rules available under the
13 Illinois Administrative Procedures Act, except that existing
14 title, part, and section numbering for the affected rules may
15 be retained. The Department of the Lottery may propose and
16 adopt under the Illinois Administrative Procedures Act such
17 other rules of the Division of the Lottery within the
18 Department of Revenue that will now be administered by the
19 Department of the Lottery.

20 To the extent that, prior to July 1, 2011, the
21 Superintendent of the Division of the Lottery within the
22 Department of Revenue had been empowered to prescribe rules or
23 had other rulemaking authority jointly with the Director of the
24 Department of Revenue with regard to the powers, duties,
25 rights, and responsibilities of the Division of the Lottery
26 within the Department of Revenue, such duties shall be

1 exercised from and after July 1, 2011 solely by the
2 Superintendent of the Department of the Lottery.

3 Section 15. The Department of Public Health Powers and
4 Duties Law of the Civil Administrative Code of Illinois is
5 amended by changing Section 2310-348 as follows:

6 (20 ILCS 2310/2310-348)

7 Sec. 2310-348. The Quality of Life Board.

8 (a) The Quality of Life Board is created as an advisory
9 board within the Department. The Board shall consist of 11
10 members as follows: 2 members appointed by the President of the
11 Senate; one member appointed by the Minority Leader of the
12 Senate; 2 members appointed by the Speaker of the House of
13 Representatives; one member appointed by the Minority Leader of
14 the House of Representatives; 2 members appointed by the
15 Governor, one of whom shall be designated as chair of the Board
16 at the time of appointment; and 3 members appointed by the
17 Director who represent organizations that advocate for the
18 healthcare needs of the first and second highest HIV/AIDS risk
19 groups, one each from the northern Illinois region, the central
20 Illinois region, and the southern Illinois region.

21 The Board members shall serve one 2-year term. If a vacancy
22 occurs in the Board membership, the vacancy shall be filled in
23 the same manner as the initial appointment.

24 (b) Board members shall serve without compensation but may

1 be reimbursed for their reasonable travel expenses from funds
2 appropriated for that purpose. The Department shall provide
3 staff and administrative support services to the Board.

4 (c) The Board must:

5 (i) consult with the Department of the Lottery ~~Revenue~~
6 in designing and promoting the Quality of Life special
7 instant scratch-off lottery game; and

8 (ii) review grant applications, make recommendations
9 and comments, and consult with the Department of Public
10 Health in making grants, from amounts appropriated from the
11 Quality of Life Endowment Fund, to public or private
12 entities in Illinois for the purpose of
13 HIV/AIDS-prevention education and for making grants to
14 public or private entities in Illinois for the purpose of
15 funding organizations that serve the highest at-risk
16 categories for contracting HIV or developing AIDS in
17 accordance with Section 21.7 of the Illinois Lottery Law.

18 (d) The Board is discontinued on June 30, 2013.

19 (Source: P.A. 95-674, eff. 10-11-07.)

20 Section 20. The Illinois Department of Revenue Sunshine Act
21 is amended by changing Section 2.3 as follows:

22 (20 ILCS 2515/2.3) (from Ch. 127, par. 2002.3)

23 Sec. 2.3. "Revenue laws" means any statutes, rules or
24 regulations administered or promulgated by the Department

1 ~~including those concerning the Illinois Lottery Law.~~

2 (Source: P.A. 82-727.)

3 (20 ILCS 5/5-370 rep.)

4 Section 25. The Civil Administrative Code of Illinois is
5 amended by repealing Section 5-370.

6 Section 99. Effective date. This Act takes effect July 1,
7 2011.