



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1870

Introduced 2/15/2013, by Sen. Steven M. Landek

SYNOPSIS AS INTRODUCED:

| | |
|-----------------|---------------------------|
| 230 ILCS 30/2 | from Ch. 120, par. 1122 |
| 230 ILCS 30/4 | from Ch. 120, par. 1124 |
| 230 ILCS 30/5 | from Ch. 120, par. 1125 |
| 230 ILCS 30/5.1 | from Ch. 120, par. 1125.1 |
| 230 ILCS 30/8 | from Ch. 120, par. 1128 |

Amends the Charitable Games Act. Defines "house-backed game" and "player-backed game". Provides that certain bond requirements do not apply to player-backed games. Provides that the limit on the number of charitable games events that may be held in any one premises per calendar year do not apply to charitable games events held at a municipal building. Removes language limiting the management or operation of the games to no more than 4 charitable games events during a calendar year. Provides that a municipality may provide the same premises for conducting charitable games nights every Friday, Saturday, and Sunday (rather than for conducting 16 charitable games nights during a 12-month period). Makes other changes related to restrictions on the conduct of charitable games.

LRB098 10674 AMC 40977 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Charitable Games Act is amended by changing
5 Sections 2, 4, 5, 5.1, and 8 as follows:

6 (230 ILCS 30/2) (from Ch. 120, par. 1122)

7 Sec. 2. Definitions. For purposes of this Act, the
8 following definitions apply:

9 "Charitable games" means the 14 games of chance involving
10 cards, dice, wheels, random selection of numbers, and gambling
11 tickets which may be conducted at charitable games events
12 listed as follows: roulette, blackjack, poker, pull tabs,
13 craps, bang, beat the dealer, big six, gin rummy, five card
14 stud poker, chuck-a-luck, keno, hold-em poker, and merchandise
15 wheel.

16 "Charitable games event" or "event" means the type of
17 fundraising event authorized by the Act at which participants
18 pay to play charitable games for the chance of winning cash or
19 noncash prizes.

20 "Charitable organization" means an organization or
21 institution organized and operated to benefit an indefinite
22 number of the public.

23 "Chips" means scrip, play money, poker or casino chips, or

1 any other representations of money, used to make wagers on the
2 outcome of any charitable game.

3 "Department" means the Department of Revenue.

4 "Educational organization" means an organization or
5 institution organized and operated to provide systematic
6 instruction in useful branches of learning by methods common to
7 schools and institutions of learning which compare favorably in
8 their scope and intensity with the course of study presented in
9 tax-supported schools.

10 "Fraternal organization" means an organization of persons
11 having a common interest that is organized and operated
12 exclusively to promote the welfare of its members and to
13 benefit the general public on a continuing and consistent
14 basis, including but not limited to ethnic organizations.

15 "House-backed game" means a game where (1) the player is
16 playing against the sponsoring organization and (2) the
17 sponsoring organization is staking the game being played and
18 its bottom line is affected by who wins and who loses each hand
19 played.

20 "Labor organization" means an organization composed of
21 labor unions or workers organized with the objective of
22 betterment of the conditions of those engaged in such pursuit
23 and the development of a higher degree of efficiency in their
24 respective occupations.

25 "Licensed organization" means a qualified organization
26 that has obtained a license to conduct a charitable games event

1 in conformance with the provisions of this Act.

2 "Non-profit organization" means an organization or
3 institution organized and conducted on a not-for-profit basis
4 with no personal profit inuring to anyone as a result of the
5 operation.

6 "Organization": A corporation, agency, partnership,
7 association, firm, business, or other entity consisting of 2 or
8 more persons joined by a common interest or purpose.

9 "Person" means any natural individual, corporation,
10 partnership, limited liability company, organization as
11 defined in this Section, qualified organization, licensed
12 organization, licensee under this Act, or volunteer.

13 "Player-backed game" means a game where (1) the players of
14 the game are playing one another and not the sponsoring
15 organization and (2) the outcome of the game does not affect
16 the sponsoring organization because it does not have any money
17 at stake in the game.

18 "Premises" means a distinct parcel of land and the
19 buildings thereon.

20 "Provider" means the person or organization owning,
21 leasing, or controlling premises upon which any charitable
22 games event is to be conducted.

23 "Qualified organization" means:

24 (a) a charitable, religious, fraternal, veterans,
25 labor or educational organization or institution organized
26 and conducted on a not-for-profit basis with no personal

1 profit inuring to anyone as a result of the operation and
2 which is exempt from federal income taxation under Sections
3 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(8), 501(c)(10) or
4 501(c)(19) of the Internal Revenue Code;

5 (b) a veterans organization as defined in Section 1.1
6 of the "Bingo License and Tax Act" organized and conducted
7 on a not-for-profit basis with no personal profit inuring
8 to anyone as a result of the operation; or

9 (c) An auxiliary organization of a veterans
10 organization.

11 "Religious organization" means any church, congregation,
12 society, or organization founded for the purpose of religious
13 worship.

14 "Sponsoring organization" means a qualified organization
15 that has obtained a license to conduct a charitable games event
16 in conformance with the provisions of this Act.

17 "Supplier" means any person, firm, or corporation that
18 sells, leases, lends, distributes, or otherwise provides to any
19 organization licensed to conduct charitable games events in
20 Illinois any charitable games equipment.

21 "Veterans' organization" means an organization comprised
22 of members of which substantially all are individuals who are
23 veterans or spouses, widows, or widowers of veterans, the
24 primary purpose of which is to promote the welfare of its
25 members and to provide assistance to the general public in such
26 a way as to confer a public benefit.

1 "Volunteer" means a person recruited by a licensed
2 organization who voluntarily performs services at a charitable
3 games event, including participation in the management or
4 operation of a game, as defined in Section 8.

5 (Source: P.A. 94-986, eff. 6-30-06; 95-228, eff. 8-16-07.)

6 (230 ILCS 30/4) (from Ch. 120, par. 1124)

7 Sec. 4. Licensing Restrictions. Licensing for the
8 conducting of charitable games is subject to the following
9 restrictions:

10 (1) The license application, when submitted to the
11 Department of Revenue, must contain a sworn statement
12 attesting to the not-for-profit character of the
13 prospective licensee organization, signed by a person
14 listed on the application as an owner, officer, or other
15 person in charge of the necessary day-to-day operations.
16 The application shall contain the name of the person in
17 charge of and primarily responsible for the conduct of the
18 charitable games. The person so designated shall be present
19 on the premises continuously during charitable games.

20 (2) The license application shall be prepared by the
21 prospective licensee organization or its duly authorized
22 representative in accordance with the rules of the
23 Department of Revenue.

24 (2.1) The organization shall maintain among its books
25 and records a list of the names, addresses, social security

1 numbers, and dates of birth of all persons who will
2 participate in the management or operation of the games,
3 along with a sworn statement made under penalties of
4 perjury, signed by a person listed on the application as an
5 owner, officer, or other person in charge of the necessary
6 day-to-day operations, that the persons listed as
7 participating in the management or operation of the games
8 are bona fide members, volunteers as defined in Section 2,
9 or employees of the applicant, ~~that these persons have not~~
10 ~~participated in the management or operation of more than 4~~
11 ~~charitable games events conducted by any licensee in the~~
12 ~~calendar year,~~ and that these persons will receive no
13 remuneration or compensation, directly or indirectly from
14 any source, for participating in the management or
15 operation of the games. Any amendments to this listing must
16 contain an identical sworn statement.

17 (2.2) (Blank).

18 (3) Each license shall state the date, hours and at
19 what locations the licensee is permitted to conduct
20 charitable games.

21 (4) Each licensee shall file a copy of the license with
22 each police department or, if in unincorporated areas, each
23 sheriff's office whose jurisdiction includes the premises
24 on which the charitable games are authorized under the
25 license.

26 (5) The licensee shall prominently display the license

1 in the area where the licensee is to conduct charitable
2 games. The licensee shall likewise display, in the form and
3 manner prescribed by the Department, the provisions of
4 Section 9 of this Act.

5 (6) (Blank).

6 (7) Each licensee shall obtain and maintain a bond for
7 the benefit of participants in games conducted by the
8 licensee to insure payment to the winners of such games.
9 Such bond discretionary by the Department and shall be in
10 an amount established by rule by the Department of Revenue.
11 In a county with fewer than 60,000 inhabitants, the
12 Department may waive the bond requirement upon a showing by
13 a licensee that it has sufficient funds on deposit to
14 insure payment to the winners of such games. The bond
15 requirement contained in this paragraph (7) does not apply
16 to player-backed games.

17 (8) A license is not assignable or transferable.

18 (9) Unless the premises for conducting charitable
19 games are provided by a municipality, the Department shall
20 not issue a license permitting a person, firm or
21 corporation to sponsor a charitable games night if the
22 premises for the conduct of the charitable games has been
23 previously used for 8 charitable games nights during the
24 previous 12 months.

25 (10) Auxiliary organizations of a licensee shall not be
26 eligible for a license to conduct charitable games, except

1 for auxiliary organizations of veterans organizations as
2 authorized in Section 2.

3 (11) Charitable games must be conducted in accordance
4 with local building and fire code requirements.

5 (12) The licensee shall consent to allowing the
6 Department's employees to be present on the premises
7 wherein the charitable games are conducted and to inspect
8 or test equipment, devices and supplies used in the conduct
9 of the game.

10 Nothing in this Section shall be construed to prohibit a
11 licensee that conducts charitable games on its own premises
12 from also obtaining a providers' license in accordance with
13 Section 5.1. The maximum number of charitable games events that
14 may be held in any one premises is limited to 8 charitable
15 games events per calendar year; however, this limitation does
16 not apply to charitable games events held at a municipal
17 building.

18 (Source: P.A. 94-986, eff. 6-30-06; 95-228, eff. 8-16-07.)

19 (230 ILCS 30/5) (from Ch. 120, par. 1125)

20 Sec. 5. Providers' License. The Department shall issue a
21 providers' license permitting a person, firm or corporation to
22 provide premises for the conduct of charitable games. No
23 person, firm or corporation may rent or otherwise provide
24 premises without having first obtained a license. Applications
25 for providers' licenses shall be made in writing in accordance

1 with Department rules. The Department shall license providers
2 of charitable games at a nonrefundable annual fee of \$50, or
3 nonrefundable triennial license fee of \$150. Each providers'
4 license is valid for one year from the date of issuance, or 3
5 years from date of issuance for a triennial license, unless
6 extended, suspended, or revoked by Department action before
7 that date. Any extension of a providers' license shall not
8 exceed one year. A provider may receive reasonable compensation
9 for the provision of the premises. Reasonable expenses shall
10 include only those expenses defined as reasonable by rules
11 adopted by the Department. A provider, other than a
12 municipality, may not provide the same premises for conducting
13 more than 8 charitable games nights per year. A provider shall
14 not have any interest in any suppliers' business, either direct
15 or indirect. A municipality may provide the same premises for
16 conducting ~~16~~ charitable games nights every Friday, Saturday,
17 and Sunday ~~during a 12 month period~~. No employee, officer, or
18 owner of a provider may participate in the management or
19 operation of a charitable games event, even if the employee,
20 officer, or owner is also a member, volunteer, or employee of
21 the charitable games licensee. A provider may not promote or
22 solicit a charitable games event on behalf of a charitable
23 games licensee or qualified organization. Any qualified
24 organization licensed to conduct a charitable game need not
25 obtain a providers' license if such games are to be conducted
26 on the organization's premises.

1 (Source: P.A. 94-986, eff. 6-30-06; 95-228, eff. 8-16-07.)

2 (230 ILCS 30/5.1) (from Ch. 120, par. 1125.1)

3 Sec. 5.1. If a licensee conducts charitable games on its
4 own premises, the licensee may also obtain a providers' license
5 in accordance with Section 5 to allow the licensee to rent or
6 otherwise provide its premises to another licensee for the
7 conducting of an additional 4 charitable games events. The
8 maximum number of charitable games events that may be held at
9 any one premises is limited to 8 charitable games events per
10 calendar year; however, this limitation does not apply to
11 charitable games events held at a municipal building.

12 (Source: P.A. 94-986, eff. 6-30-06.)

13 (230 ILCS 30/8) (from Ch. 120, par. 1128)

14 Sec. 8. The conducting of charitable games is subject to
15 the following restrictions:

16 (1) The entire net proceeds from charitable games must
17 be exclusively devoted to the lawful purposes of the
18 organization permitted to conduct that game.

19 (2) No person except a bona fide member or employee of
20 the sponsoring organization, or a volunteer recruited by
21 the sponsoring organization, may participate in the
22 management or operation of the game. A person participates
23 in the management or operation of a charitable game when he
24 or she sells admission tickets at the event; sells,

1 redeems, or in any way assists in the selling or redeeming
2 of chips, scrip, or play money; participates in the
3 conducting of any of the games played during the event, or
4 supervises, directs or instructs anyone conducting a game;
5 or at any time during the hours of the charitable games
6 event counts, handles, or supervises anyone counting or
7 handling any of the proceeds or chips, scrip, or play money
8 at the event. A person who is present to ensure that the
9 games are being conducted in conformance with the rules
10 established by the licensed organization or is present to
11 insure that the equipment is working properly is considered
12 to be participating in the management or operation of a
13 game. Setting up, cleaning up, selling food and drink, or
14 providing security for persons or property at the event
15 does not constitute participation in the management or
16 operation of the game.

17 Only bona fide members, volunteers as defined in
18 Section 2 of this Act, and employees of the sponsoring
19 organization may participate in the management or
20 operation of the games. ~~Participation in the management or~~
21 ~~operation of the games is limited to no more than 4~~
22 ~~charitable games events, either of the sponsoring~~
23 ~~organization or any other licensed organization, during a~~
24 ~~calendar year.~~

25 (3) No person may receive any remuneration or
26 compensation either directly or indirectly from any

1 licensed organization ~~source~~ for participating in the
2 management or operation of the game.

3 (4) No single bet at any house-backed game may exceed
4 \$10.

5 (5) A bank shall be established on the premises to
6 convert currency into chips, scrip, or other form of play
7 money which shall then be used to play at games of chance
8 which the participant chooses. Chips, scrip, or play money
9 must be permanently monogrammed with the logo of the
10 licensed organization or of the supplier. Each participant
11 must be issued a receipt indicating the amount of chips,
12 scrip, or play money purchased.

13 (6) At the conclusion of the event where house-backed
14 games are played, ~~or~~ when a ~~the~~ participant leaves, he may
15 cash in his chips, scrip, or play money in exchange for
16 currency not to exceed \$250 or noncash prizes. Each
17 participant shall sign for any receipt of prizes. The
18 licensee shall provide the Department of Revenue with a
19 listing of all prizes awarded, including the retail value
20 of all prizes awarded.

21 (7) Each licensee shall be permitted to conduct
22 charitable games on not more than 6 4 days each year.
23 Nothing in this Section shall be construed to prohibit a
24 licensee that conducts charitable games on its own premises
25 from also obtaining a providers' license in accordance with
26 Section 7 of this Act.

1 (8) Unless the provider of the premises is a
2 municipality, the provider of the premises may not rent or
3 otherwise provide the premises for the conducting of more
4 than 8 charitable games nights per year.

5 (9) A charitable games event is considered to be a
6 one-day event and charitable games may not be played
7 between the hours of 2:00 a.m. and noon.

8 (10) No person under the age of 18 years may play or
9 participate in the conducting of charitable games. Any
10 person under the age of 18 years may be within the area
11 where charitable games are being played only when
12 accompanied by his parent or guardian.

13 (11) No one other than the sponsoring organization of
14 charitable games must have a proprietary interest in the
15 game promoted.

16 (12) Raffles or other forms of gambling prohibited by
17 law shall not be conducted on the premises where charitable
18 games are being conducted.

19 (13) Such games are not expressly prohibited by county
20 ordinance for charitable games conducted in the
21 unincorporated areas of the county or municipal ordinance
22 for charitable games conducted in the municipality and the
23 ordinance is filed with the Department of Revenue. The
24 Department shall provide each county or municipality with a
25 list of organizations licensed or subsequently authorized
26 by the Department to conduct charitable games in their

1 jurisdiction.

2 (14) The sale of tangible personal property at
3 charitable games is subject to all State and local taxes
4 and obligations.

5 (15) Each licensee may offer or conduct only the games
6 listed below, which must be conducted in accordance with
7 rules posted by the organization. The organization
8 sponsoring charitable games shall promulgate rules, and
9 make printed copies available to participants, for the
10 following games: (a) roulette; (b) blackjack; (c) poker;
11 (d) pull tabs; (e) craps; (f) bang; (g) beat the dealer;
12 (h) big six; (i) gin rummy; (j) five card stud poker; (k)
13 chuck-a-luck; (l) keno; (m) hold-em poker; and (n)
14 merchandise wheel. A licensee need not offer or conduct
15 every game permitted by law. The conducting of games not
16 listed above is prohibited by this Act.

17 (16) No unlicensed slot machines or
18 coin-in-the-slot-operated devices that allow a participant
19 to play games of chance shall be permitted to be used at
20 the location and during the time at which the charitable
21 games are being conducted.

22 (17) No cards, dice, wheels, or other equipment may be
23 modified or altered so as to give the licensee a greater
24 advantage in winning, other than as provided under the
25 normal rules of play of a particular game.

26 (18) No credit shall be extended to any of the

1 participants.

2 (19) (Blank).

3 (20) A supplier may have only one representative
4 present at the charitable games event, for the exclusive
5 purpose of ensuring that its equipment is not damaged.

6 (21) No employee, owner, or officer of a consultant
7 service hired by a licensed organization to perform
8 services at the event including, but not limited to,
9 security for persons or property at the event or services
10 before the event including, but not limited to, training
11 for volunteers or advertising may participate in the
12 management or operation of the games. However, a consultant
13 hired by a licensed organization may attend the event to
14 consult and advise his or her client. Advice and on-site
15 training does not constitute management of the event.

16 (22) (Blank).

17 (Source: P.A. 94-986, eff. 6-30-06; 95-228, eff. 8-16-07.)