



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2197

Introduced 2/15/2013, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Lottery Law. Changes references from "Superintendent" to "Director" throughout the Act. Provides that the Director of the Lottery or his designee shall provide a briefing on proposed major media campaigns at any regularly scheduled meeting upon written request from any Board member, and such written request must be received by the Director at least 10 days prior to the regularly scheduled meeting. Replaces language regarding reproduced copies with language that provides that reproduced copies of any of the Department's records relating to an account under certificate of the Director or any officer or employee of the Department designated in writing by the Director shall, without further proof, be admitted into evidence in any hearing before the Board or its Hearing Officers or any legal proceeding and shall be prima facie proof of the information contained therein. Makes other changes. Amends the Civil Administrative Code of Illinois. Adds the Director of the Lottery to the list of heads of departments. Adds provisions stating that the Director of the Lottery shall receive the annual salary set by law for the Director of the Lottery. Effective immediately.

LRB098 05665 AMC 35704 b

1 AN ACT concerning the lottery.

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

4 Section 5. The Civil Administrative Code of Illinois is
5 amended by changing Section 5-20 and by adding Section 5-372 as
6 follows:

7 (20 ILCS 5/5-20) (was 20 ILCS 5/4)

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

14 The following officers are hereby created:

15 Director of Aging, for the Department on Aging.

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

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

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

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

1 Director of Corrections, for the Department of
2 Corrections.

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

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

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

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

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

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

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

17 Director of Labor, for the Department of Labor.

18 Director of the Lottery, for the Department of the Lottery.

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

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

23 Director of Revenue, for the Department of Revenue.

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

26 Secretary of Transportation, for the Department of

1 Transportation.

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

4 (Source: P.A. 96-328, eff. 8-11-09; 97-464, eff. 10-15-11;
5 97-618, eff. 10-26-11; 97-813, eff. 7-13-12.)

6 (20 ILCS 5/5-372 new)

7 Sec. 5-372. In the Department of the Lottery. The Director
8 of the Lottery shall receive the annual salary set by law for
9 the Director of the Lottery.

10 Section 10. The Illinois Lottery Law is amended by changing
11 Sections 3, 5, 6, 7.6, 7.8a, 7.12, 9, 10, 13, 14.4, 19, 20.1,
12 21, 21.5, 21.6, 21.7, 21.8, 27, and 29 as follows:

13 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

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

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

17 b. "Board" means the Lottery Control Board created by this
18 Act.

19 c. "Department" means the Department of the Lottery.

20 d. (Blank).

21 e. "Chairman" means the Chairman of the Lottery Control
22 Board.

23 f. "Multi-state game directors" means such persons,

1 including the Director ~~Superintendent~~, as may be designated by
2 an agreement between the Department and one or more additional
3 lotteries operated under the laws of another state or states.

4 g. (Blank).

5 h. "Director" ~~"Superintendent"~~ means the Director
6 ~~Superintendent~~ of the Department of the Lottery.

7 i. "Management agreement" means an agreement or contract
8 between the Department on behalf of the State with a private
9 manager, as an independent contractor, whereby the private
10 manager provides management services to the Lottery in exchange
11 for compensation that may consist of, among other things, a fee
12 for services and a performance-based bonus of no more than 5%
13 of Lottery profits so long as the Department continues to
14 exercise actual control over all significant business
15 decisions made by the private manager as set forth in Section
16 9.1.

17 j. "Person" means any individual, firm, association, joint
18 venture, partnership, estate, trust, syndicate, fiduciary,
19 corporation, or other legal entity, group, or combination.

20 k. "Private manager" means a person that provides
21 management services to the Lottery on behalf of the Department
22 under a management agreement.

23 l. "Profits" means total revenues accruing from the sale of
24 lottery tickets or shares and related proceeds minus (1) the
25 payment of prizes and retailer bonuses and (2) the payment of
26 costs incurred in the operation and administration of the

1 lottery, excluding costs of services directly rendered by a
2 private manager.

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

6 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
7 eff. 12-23-09; 97-464, eff. 8-19-11.)

8 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

9 Sec. 5. (a) The Department shall be under the supervision
10 and direction of a Director ~~Superintendent~~, who shall be a
11 person qualified by training and experience to perform the
12 duties required by this Act. The Director ~~Superintendent~~ shall
13 be appointed by the Governor, by and with the advice and
14 consent of the Senate. The term of office of the Director
15 ~~Superintendent~~ shall expire on the third Monday of January in
16 odd numbered years provided that he or she shall hold office
17 until a successor is appointed and qualified. The annual salary
18 of the Director ~~Superintendent~~ is \$142,000.

19 Any vacancy occurring in the office of the Director
20 ~~Superintendent~~ shall be filled in the same manner as the
21 original appointment. In case of a vacancy during the recess of
22 the Senate, the Governor shall make a temporary appointment
23 until the next meeting of the Senate, when the Governor shall
24 nominate some person to fill the office, and any person so
25 nominated who is confirmed by the Senate shall hold office

1 during the remainder of the term and until his or her successor
2 is appointed and qualified.

3 During the absence or inability to act of the Director
4 ~~Superintendent~~, or in the case of a vacancy in the office of
5 Director ~~Superintendent~~ until a successor is appointed and
6 qualified, the Governor may designate some person as Acting
7 Director ~~Superintendent~~ of the Lottery to execute the powers
8 and discharge the duties vested by law in that office. A person
9 who is designated as an Acting Director ~~Superintendent~~ shall
10 not continue in office for more than 60 calendar days unless
11 the Governor files a message with the Secretary of the Senate
12 nominating that person to fill the office. After 60 calendar
13 days, the office is considered vacant and shall be filled only
14 under this Section. No person who has been appointed by the
15 Governor to serve as Acting Director ~~Superintendent~~ shall,
16 except at the Senate's request, be designated again as an
17 Acting Director ~~Superintendent~~ at the same session of that
18 Senate, subject to the provisions of this Section. A person
19 appointed as an Acting Director ~~Superintendent~~ is not required
20 to meet the requirements of paragraph (1) of subsection (b) of
21 this Section. In no case may the Governor designate a person to
22 serve as Acting Director ~~Superintendent~~ if that person has
23 prior to the effective date of this amendatory Act of the 97th
24 General Assembly exercised any of the duties and functions of
25 the office of Director ~~Superintendent~~ without having been
26 nominated by the Governor to serve as Director ~~Superintendent~~.

1 (b) The Director ~~Superintendent~~ shall devote his or her
2 entire time and attention to the duties of the office and shall
3 not be engaged in any other profession or occupation. ~~The~~
4 ~~Superintendent shall receive such salary as shall be provided~~
5 ~~by law.~~

6 The Director ~~Superintendent~~ shall:

7 (1) be qualified by training and experience to direct a
8 lottery, including, at a minimum, 5 years of senior
9 executive-level experience in the successful advertising,
10 marketing, and selling of consumer products, 4 years of
11 successful experience directing a lottery on behalf of a
12 governmental entity, or 5 years of successful senior-level
13 management experience at a lottery on behalf of a
14 governmental entity;

15 (2) have significant and meaningful management and
16 regulatory experience; and

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

19 The Director ~~Superintendent~~ shall not during his or her
20 term of appointment: become a candidate for any elective
21 office; hold any other elected or appointed public office; be
22 actively involved in the affairs of any political party or
23 political organization; advocate for the appointment of
24 another person to an appointed or elected office or position;
25 or actively participate in any campaign for any elective
26 office. The Director ~~Superintendent~~ may be appointed to serve

1 on a governmental advisory or board study commission or as
2 otherwise expressly authorized by law.

3 (c) No person shall perform the duties and functions of the
4 Director ~~Superintendent~~, or otherwise exercise the authority
5 of the Director ~~Superintendent~~, unless the same shall have been
6 appointed by the Governor pursuant to this Section.

7 (Source: P.A. 97-464, eff. 8-19-11.)

8 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

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

18 Initial members shall be appointed to the Board by the
19 Governor as follows: one member to serve until July 1, 1974,
20 and until his successor is appointed and qualified; 2 members
21 to serve until July 1, 1975, and until their successors are
22 appointed and qualified; 2 members to serve until July 1, 1976,
23 and until their successors are appointed and qualified. As
24 terms of members so appointed expire, their successors shall be
25 appointed for terms to expire the first day in July 3 years

1 thereafter, and until their successors are appointed and
2 qualified.

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

6 Any member of the Board may be removed by the Governor for
7 neglect of duty, misfeasance, malfeasance, or nonfeasance in
8 office.

9 Board members shall receive as compensation for their
10 services \$100 for each day they are in attendance at any
11 official board meeting, but in no event shall members receive
12 more than \$1,200 per year. They shall receive no other
13 compensation for their services, but shall be reimbursed for
14 necessary traveling and other reasonable expenses incurred in
15 the performance of their official duties. Each member shall
16 make a full financial disclosure upon appointment.

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

23 Three members of the Board shall constitute a quorum, and 3
24 votes shall be required for any final determination by the
25 Board. The Board shall keep a complete and accurate record of
26 all its meetings.

1 (Source: P.A. 97-464, eff. 10-15-11.)

2 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

3 Sec. 7.6. The Board shall advise and make recommendations
4 to the Director ~~Superintendent~~ regarding the functions and
5 operations of the State Lottery. A copy of all such
6 recommendations shall also be forwarded to the Governor, the
7 Attorney General, the Speaker of the House, the President of
8 the Senate and the minority leaders of both houses.

9 (Source: P.A. 97-464, eff. 10-15-11.)

10 (20 ILCS 1605/7.8a) (from Ch. 120, par. 1157.8a)

11 Sec. 7.8a. The Board shall establish advertising policy to
12 ensure that advertising content and practices do not target
13 with the intent to exploit specific groups or economic classes
14 of people, and that its content is accurate and not misleading.
15 The Board shall review, at least quarterly, all past
16 advertising ~~and proposed concepts~~ for major media campaigns to
17 ensure that they do not target with the intent to exploit
18 specific groups or economic classes of people, and that their
19 content is accurate and not misleading. If the Board finds that
20 advertising conflicts with such policy, it shall have the
21 authority to direct the Department to cease that advertising.
22 The Director or his or her designee shall provide a briefing on
23 proposed major media campaigns at any regularly scheduled
24 meeting upon written request from any Board member. Such

1 written request must be received by the Director at least 10
2 days prior to the regularly scheduled meeting.

3 (Source: P.A. 85-183.)

4 (20 ILCS 1605/7.12)

5 Sec. 7.12. Internet pilot program.

6 (a) The General Assembly finds that:

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

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

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

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

21 (b) The Department shall create a pilot program that allows
22 an individual 18 years of age or older to purchase lottery
23 tickets or shares on the Internet without using a Lottery
24 retailer with on-line status, as those terms are defined by
25 rule. The Department shall restrict the sale of lottery tickets

1 on the Internet to transactions initiated and received or
2 otherwise made exclusively within the State of Illinois. The
3 Department shall adopt rules necessary for the administration
4 of this program. These rules shall include, among other things,
5 requirements for marketing of the Lottery to infrequent
6 players, as well as limitations on the purchases that may be
7 made through any one individual's lottery account. The
8 provisions of this Act and the rules adopted under this Act
9 shall apply to the sale of lottery tickets or shares under this
10 program.

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

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

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

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

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

18 Nothing in this Section shall be construed as prohibiting
19 the Department from implementing and operating a website portal
20 whereby individuals who are 18 years of age or older with an
21 Illinois mailing address may apply to purchase lottery tickets
22 via subscription. Nothing in this Section shall also be
23 construed as prohibiting the sale of Lotto, Mega Millions, and
24 Powerball games by a lottery licensee pursuant to the
25 Department's rules.

26 (c) There is created the Internet Lottery Study Committee

1 as an advisory body within the Department. The Department shall
2 conduct a study to determine the impact of the Internet pilot
3 program on lottery licensees. The Department shall also
4 determine the feasibility of the sale of stored value cards by
5 lottery licensees as a non-exclusive option for use by
6 individuals 18 years of age or older who purchase tickets for
7 authorized lottery games in the Internet pilot program. For the
8 purposes of this study, it is anticipated that the stored value
9 cards will have, but need not be limited to, the following
10 characteristics: (1) the cards will be available only to
11 individuals 18 years of age and older; (2) the cards will be
12 rechargeable, closed-loop cards that can only be loaded with
13 cash; (3) the cards will have unique identifying numbers to be
14 used for on-line play; (4) the cards will have on-line play
15 subtracted from the card's value; (5) the cards may have
16 on-line winnings added to them; (6) the cards will be used at
17 Lottery retailers to cash out winnings of up to \$600; and (7)
18 the cards will meet all technological, programming, and
19 security requirements mandated by the Department and the
20 governing bodies of both Mega Millions and Powerball.

21 To the fullest extent possible, but subject to available
22 resources, the Department shall ensure that the study evaluates
23 and analyzes at least the following issues:

- 24 (1) economic benefits to the State from Internet
25 Lottery sales from stored value cards and from resulting
26 sales taxes;

1 (2) economic benefits to local governments from sales
2 taxes generated from Internet Lottery sales through stored
3 value cards;

4 (3) economic benefits to Lottery retailers from
5 Internet Lottery sales and from ancillary retail product
6 sales in connection with the same;

7 (4) enhanced player age verification from face-to-face
8 interaction;

9 (5) enhanced control of gambling addiction from
10 face-to-face interaction;

11 (6) elimination of credit card overspending through
12 the use of stored value cards and resulting reduced debt
13 issues;

14 (7) the feasibility of the utilization of existing
15 Lottery machines to dispense stored value cards;

16 (8) the technological, programming, and security
17 requirements to make stored value cards an appropriate
18 sales alternative; and

19 (9) the cost and project time estimates for
20 implementation, including adaptation of existing Lottery
21 machines, programming, and technology enhancements and
22 impact to operations.

23 The Study Committee shall consist of the Director
24 ~~Superintendent~~ or his or her designee; the chief executive
25 officer of the Lottery's private manager or his or her
26 designee; a representative appointed by the Governor's Office;

1 2 representatives of the lottery licensee community appointed
2 by the Director ~~Superintendent~~; one representative of a
3 statewide association representing food retailers appointed by
4 the Director ~~Superintendent~~; and one representative of a
5 statewide association representing retail merchants appointed
6 by the Director ~~Superintendent~~.

7 Members of the Study Committee shall be appointed within 30
8 days after the effective date of this amendatory Act of the
9 97th General Assembly. No later than 6 months after the
10 effective date of this amendatory Act of the 97th General
11 Assembly, the Department shall provide to the members of the
12 Study Committee the proposed findings and recommendations of
13 the study in order to solicit input from the Study Committee.
14 Within 30 calendar days thereafter, the Study Committee shall
15 convene a meeting of the members to discuss the proposed
16 findings and recommendations of the study. No later than 15
17 calendar days after meeting, the Study Committee shall submit
18 to the Department any written changes, additions, or
19 corrections the Study Committee wishes the Department to make
20 to the study. The Department shall consider the propriety of
21 and respond to each change, addition, or correction offered by
22 the Study Committee in the study. The Department shall also set
23 forth any such change, addition, or correction offered by
24 members of the Study Committee and the Department's responses
25 thereto in the appendix to the study. No later than 15 calendar
26 days after receiving the changes, additions, or corrections

1 offered by the Study Committee, the Department shall deliver
2 copies of the final study and appendices, if any, to the
3 Governor, President of the Senate, Minority Leader of the
4 Senate, Speaker of the House of Representatives, Minority
5 Leader of the House of Representatives, and each of the members
6 of the Study Committee.

7 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
8 eff. 12-23-09; 97-464, eff. 10-15-11; 97-1121, eff. 8-27-12.)

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

10 Sec. 9. The Director ~~Superintendent~~, as administrative
11 head of the Department, shall direct and supervise all its
12 administrative and technical activities. In addition to the
13 duties imposed upon him elsewhere in this Act, it shall be the
14 Director's ~~Superintendent's~~ duty:

15 a. To supervise and administer the operation of the lottery
16 in accordance with the provisions of this Act or such rules and
17 regulations of the Department adopted thereunder.

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

20 c. To employ and direct such personnel in accord with the
21 Personnel Code, as may be necessary to carry out the purposes
22 of this Act. In addition, the Director ~~Superintendent~~ may by
23 agreement secure such services as he or she may deem necessary
24 from any other department, agency, or unit of the State
25 government, and may employ and compensate such consultants and

1 technical assistants as may be required and is otherwise
2 permitted by law.

3 d. To license, in accordance with the provisions of
4 Sections 10 and 10.1 of this Act and the rules and regulations
5 of the Department adopted thereunder, as agents to sell lottery
6 tickets such persons as in his opinion will best serve the
7 public convenience and promote the sale of tickets or shares.
8 The Director ~~Superintendent~~ may require a bond from every
9 licensed agent, in such amount as provided in the rules and
10 regulations of the Department. Every licensed agent shall
11 prominently display his license, or a copy thereof, as provided
12 in the rules and regulations of the Department.

13 e. To suspend or revoke any license issued pursuant to this
14 Act or the rules and regulations promulgated by the Department
15 thereunder.

16 f. To confer regularly as necessary or desirable and not
17 less than once every month with the Lottery Control Board on
18 the operation and administration of the Lottery; to make
19 available for inspection by the Board or any member of the
20 Board, upon request, all books, records, files, and other
21 information and documents of his office; to advise the Board
22 and recommend such rules and regulations and such other matters
23 as he deems necessary and advisable to improve the operation
24 and administration of the lottery.

25 g. To enter into contracts for the operation of the
26 lottery, or any part thereof, and into contracts for the

1 promotion of the lottery on behalf of the Department with any
2 person, firm or corporation, to perform any of the functions
3 provided for in this Act or the rules and regulations
4 promulgated thereunder. The Department shall not expend State
5 funds on a contractual basis for such functions unless those
6 functions and expenditures are expressly authorized by the
7 General Assembly.

8 h. To enter into an agreement or agreements with the
9 management of state lotteries operated pursuant to the laws of
10 other states for the purpose of creating and operating a
11 multi-state lottery game wherein a separate and distinct prize
12 pool would be combined to award larger prizes to the public
13 than could be offered by the several state lotteries,
14 individually. No tickets or shares offered in connection with a
15 multi-state lottery game shall be sold within the State of
16 Illinois, except those offered by and through the Department.
17 No such agreement shall purport to pledge the full faith and
18 credit of the State of Illinois, nor shall the Department
19 expend State funds on a contractual basis in connection with
20 any such game unless such expenditures are expressly authorized
21 by the General Assembly, provided, however, that in the event
22 of error or omission by the Illinois State Lottery in the
23 conduct of the game, as determined by the multi-state game
24 directors, the Department shall be authorized to pay a prize
25 winner or winners the lesser of a disputed prize or \$1,000,000,
26 any such payment to be made solely from funds appropriated for

1 game prize purposes. The Department shall be authorized to
2 share in the ordinary operating expenses of any such
3 multi-state lottery game, from funds appropriated by the
4 General Assembly, and in the event the multi-state game control
5 offices are physically located within the State of Illinois,
6 the Department is authorized to advance start-up operating
7 costs not to exceed \$150,000, subject to proportionate
8 reimbursement of such costs by the other participating state
9 lotteries. The Department shall be authorized to share
10 proportionately in the costs of establishing a liability
11 reserve fund from funds appropriated by the General Assembly.
12 The Department is authorized to transfer prize award funds
13 attributable to Illinois sales of multi-state lottery game
14 tickets to the multi-state control office, or its designated
15 depository, for deposit to such game pool account or accounts
16 as may be established by the multi-state game directors, the
17 records of which account or accounts shall be available at all
18 times for inspection in an audit by the Auditor General of
19 Illinois and any other auditors pursuant to the laws of the
20 State of Illinois. No multi-state game prize awarded to a
21 nonresident of Illinois, with respect to a ticket or share
22 purchased in a state other than the State of Illinois, shall be
23 deemed to be a prize awarded under this Act for the purpose of
24 taxation under the Illinois Income Tax Act. The Department
25 shall promulgate such rules as may be appropriate to implement
26 the provisions of this Section.

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

10 j. To report monthly to the State Treasurer and the Lottery
11 Control Board a full and complete statement of lottery
12 revenues, prize disbursements and other expenses for each month
13 and the amounts to be transferred to the Common School Fund
14 pursuant to Section 7.2 or such other funds as are otherwise
15 authorized by Section 21.2 of this Act, and to make an annual
16 report, which shall include a full and complete statement of
17 lottery revenues, prize disbursements and other expenses, to
18 the Governor and the Board. All reports required by this
19 subsection shall be public and copies of all such reports shall
20 be sent to the Speaker of the House, the President of the
21 Senate, and the minority leaders of both houses.

22 (Source: P.A. 96-37, eff. 7-13-09; 97-464, eff. 10-15-11.)

23 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

24 Sec. 10. The Department, upon application therefor on forms
25 prescribed by the Department, and upon a determination by the

1 Department that the applicant meets all of the qualifications
2 specified in this Act, shall issue a license as an agent to
3 sell lottery tickets or shares. No license as an agent to sell
4 lottery tickets or shares shall be issued to any person to
5 engage in business exclusively as a lottery sales agent.

6 Before issuing such license the Director ~~Superintendent~~
7 shall consider (a) the financial responsibility and security of
8 the person and his business or activity, (b) the accessibility
9 of his place of business or activity to the public, (c) the
10 sufficiency of existing licenses to serve the public
11 convenience, (d) the volume of expected sales, and (e) such
12 other factors as he or she may deem appropriate.

13 Until September 1, 1987, the provisions of Sections 2a, 4,
14 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,
15 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
16 not inconsistent with this Act shall apply to the subject
17 matter of this Act to the same extent as if such provisions
18 were included in this Act. For purposes of this Act, references
19 in such incorporated Sections of the Retailers' Occupation Tax
20 Act to retailers, sellers or persons engaged in the business of
21 selling tangible personal property mean persons engaged in
22 selling lottery tickets or shares; references in such
23 incorporated Sections to sales of tangible personal property
24 mean the selling of lottery tickets or shares; and references
25 in such incorporated Sections to certificates of registration
26 mean licenses issued under this Act. The provisions of the

1 Retailers' Occupation Tax Act as heretofore applied to the
2 subject matter of this Act shall not apply with respect to
3 tickets sold by or delivered to lottery sales agents on and
4 after September 1, 1987, but such provisions shall continue to
5 apply with respect to transactions involving the sale and
6 delivery of tickets prior to September 1, 1987.

7 All licenses issued by the Department under this Act shall
8 be valid for a period not to exceed 2 years after issuance
9 unless sooner revoked, canceled or suspended as in this Act
10 provided. No license issued under this Act shall be
11 transferable or assignable. Such license shall be
12 conspicuously displayed in the place of business conducted by
13 the licensee in Illinois where lottery tickets or shares are to
14 be sold under such license.

15 For purposes of this Section, the term "person" shall be
16 construed to mean and include an individual, association,
17 partnership, corporation, club, trust, estate, society,
18 company, joint stock company, receiver, trustee, referee, any
19 other person acting in a fiduciary or representative capacity
20 who is appointed by a court, or any combination of individuals.
21 "Person" includes any department, commission, agency or
22 instrumentality of the State, including any county, city,
23 village, or township and any agency or instrumentality thereof.
24 (Source: P.A. 97-464, eff. 10-15-11.)

25 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

1 Sec. 13. Except as otherwise provided in Section 13.1, no
2 prize, nor any portion of a prize, nor any right of any person
3 to a prize awarded shall be assignable. Any prize, or portion
4 thereof remaining unpaid at the death of a prize winner, may be
5 paid to the estate of such deceased prize winner, or to the
6 trustee under a revocable living trust established by the
7 deceased prize winner as settlor, provided that a copy of such
8 a trust has been filed with the Department along with a
9 notarized letter of direction from the settlor and no written
10 notice of revocation has been received by the Department prior
11 to the settlor's death. Following such a settlor's death and
12 prior to any payment to such a successor trustee, the Director
13 ~~Superintendent~~ shall obtain from the trustee a written
14 agreement to indemnify and hold the Director ~~Department~~ and the
15 Department harmless with respect to any claims that may be
16 asserted against the Department arising from payment to or
17 through the trust. Notwithstanding any other provision of this
18 Section, any person pursuant to an appropriate judicial order
19 may be paid the prize to which a winner is entitled, and all or
20 part of any prize otherwise payable by State warrant under this
21 Section shall be withheld upon certification to the State
22 Comptroller from the Department of Healthcare and Family
23 Services as provided in Section 10-17.5 of The Illinois Public
24 Aid Code. The Director and the Department ~~Superintendent~~ shall
25 be discharged of all further liability upon payment of a prize
26 pursuant to this Section.

1 (Source: P.A. 97-464, eff. 10-15-11.)

2 (20 ILCS 1605/14.4)

3 Sec. 14.4. Investigators.

4 (a) The Department has the power to appoint investigators
5 to conduct investigations, searches, seizures, arrests, and
6 other duties required to enforce the provisions of this Act and
7 prevent the perpetration of fraud upon the Department or the
8 public. These investigators have and may exercise all the
9 powers of peace officers solely for the purpose of ensuring the
10 integrity of the lottery games operated by the Department.

11 (b) The Director ~~Superintendent~~ must authorize to each
12 investigator employed under this Section and to any other
13 employee of the Department exercising the powers of a peace
14 officer a distinct badge that, on its face, (i) clearly states
15 that the badge is authorized by the Department and (ii)
16 contains a unique identifying number. No other badge shall be
17 authorized by the Department.

18 (Source: P.A. 97-1121, eff. 8-27-12.)

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

20 Sec. 19. The Department shall establish an appropriate
21 period for the claiming of prizes for each lottery game
22 offered. Each claim period shall be stated in game rules and
23 written play instructions issued by the Director
24 ~~Superintendent~~ in accordance with Section 7.1 of this Act.

1 Written play instructions shall be made available to all
2 players through sales agents licensed to sell game tickets or
3 shares. Prizes for lottery games which involve the purchase of
4 a physical lottery ticket may be claimed only by presentation
5 of a valid winning lottery ticket that matches validation
6 records on file with the Lottery; no claim may be honored which
7 is based on the assertion that the ticket was lost or stolen.
8 No lottery ticket which has been altered, mutilated, or fails
9 to pass validation tests shall be deemed to be a winning
10 ticket.

11 If no claim is made for the money within the established
12 claim period, the prize may be included in the prize pool of
13 such special drawing or drawings as the Department may, from
14 time to time, designate. Unclaimed multi-state game prize money
15 may be included in the multi-state prize pool for such special
16 drawing or drawings as the multi-state game directors may, from
17 time to time, designate. Any bonuses offered by the Department
18 to sales agents who sell winning tickets or shares shall be
19 payable to such agents regardless of whether or not the prize
20 money on the ticket or share is claimed, provided that the
21 agent can be identified as the vendor of the winning ticket or
22 share, and that the winning ticket or share was sold on or
23 after January 1, 1984. All unclaimed prize money not included
24 in the prize pool of a special drawing shall be transferred to
25 the Common School Fund.

26 (Source: P.A. 97-464, eff. 10-15-11.)

1 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

2 Sec. 20.1. Department account.

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

22 (b) The Department is authorized to enter into an
23 interagency agreement with the Office of the Comptroller or any
24 other State agency to establish responsibilities, duties, and
25 procedures for complying with the Comptroller's Offset System

1 under Section 10.05 of the State Comptroller Act. All federal
2 and State tax reporting and withholding requirements relating
3 to prize winners under this Section shall be the responsibility
4 of the Department. Moneys from this account may not be used to
5 pay amounts to deferred prize winners. Moneys may not be
6 transferred from the State Lottery Fund to this account for
7 payment of prizes under this Section until procedures are
8 implemented to comply with the Comptroller's Offset System and
9 sufficient internal controls are in place to validate prizes.

10 (Source: P.A. 97-464, eff. 10-15-11.)

11 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

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

25 No bank or savings and loan association shall receive

1 public funds as permitted by this Section, unless it has
2 complied with the requirements established pursuant to Section
3 6 of the Public Funds Investment Act.

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

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

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

9 In case of failure of an agent or distributor to pay a
10 seriously delinquent amount, or any portion thereof, including
11 interest, penalty and costs, the Department may issue a Notice
12 of Assessment. In determining amounts shown on the Notice of
13 Assessment, the Department shall utilize the financial
14 information available from its records. Such Notice of
15 Assessment shall be prima facie correct and shall be prima
16 facie evidence of delinquent sums due under this Section at any
17 hearing before the Board, or its Hearing Officers, or at any
18 other legal proceeding. Reproduced copies of any of the
19 Department's records relating to an account, including, but not
20 limited to, notices of assessment, suspension, revocation, and
21 personal liability and any other such notice prepared in the
22 Department's ordinary course of business and books, records, or
23 other documents offered in the name of the Department, under
24 certificate of the Director or any officer or employee of the
25 Department designated in writing by the Director shall, without
26 further proof, be admitted into evidence in any hearing before

1 the Board or its Hearing Officers or any legal proceeding and
2 shall be prima facie proof of the information contained
3 therein. ~~Reproduced copies of the Department's records~~
4 ~~relating to a delinquent account or a Notice of Assessment~~
5 ~~offered in the name of the Department, under the Certificate of~~
6 ~~the Superintendent or any officer or employee of the Department~~
7 ~~designated in writing by the Superintendent shall, without~~
8 ~~further proof, be admitted into evidence in any such hearing or~~
9 ~~any legal proceeding and shall be prima facie proof of the~~
10 ~~delinquency, including principal and any interest, penalties~~
11 ~~and costs, as shown thereon.~~ The Attorney General may bring
12 suit on behalf of the Department to collect all such delinquent
13 amounts, or any portion thereof, including interest, penalty
14 and costs, due the Lottery.

15 Any person who accepts money that is due to the Department
16 from the sale of lottery tickets under this Act, but who
17 wilfully fails to remit such payment to the Department when due
18 or who purports to make such payment but wilfully fails to do
19 so because his check or other remittance fails to clear the
20 bank or savings and loan association against which it is drawn,
21 in addition to the amount due and in addition to any other
22 penalty provided by law, shall be assessed, and shall pay, a
23 penalty equal to 5% of the deficiency plus any costs or charges
24 incurred by the Department in collecting such amount.

25 The Director ~~Superintendent~~ may make such arrangements for
26 any person(s), banks, savings and loan associations or

1 distributors, to perform such functions, activities or
2 services in connection with the operation of the lottery as he
3 deems advisable pursuant to this Act, the State Comptroller
4 Act, or the rules and regulations of the Department, and such
5 functions, activities or services shall constitute lawful
6 functions, activities and services of such person(s), banks,
7 savings and loan associations or distributors.

8 All income arising out of any activity or purpose of the
9 Department shall, pursuant to the State Finance Act, be paid
10 into the State Treasury except as otherwise provided by the
11 rules and regulations of the Department and shall be covered
12 into a special fund to be known as the State Lottery Fund.
13 Banks and savings and loan associations may be compensated for
14 services rendered based upon the activity and amount of funds
15 on deposit.

16 (Source: P.A. 97-464, eff. 10-15-11.)

17 (20 ILCS 1605/21.5)

18 Sec. 21.5. Carolyn Adams Ticket For The Cure.

19 (a) The Department shall offer a special instant
20 scratch-off game with the title of "Carolyn Adams Ticket For
21 The Cure". The game shall commence on January 1, 2006 or as
22 soon thereafter, in the discretion of the Director
23 ~~Superintendent~~, as is reasonably practical, and shall be
24 discontinued on December 31, 2016. The operation of the game
25 shall be governed by this Act and any rules adopted by the

1 Department. The Department must consult with the Carolyn Adams
2 Ticket For The Cure Board, which is established under Section
3 2310-347 of the Department of Public Health Powers and Duties
4 Law of the Civil Administrative Code of Illinois, regarding the
5 design and promotion of the game. If any provision of this
6 Section is inconsistent with any other provision of this Act,
7 then this Section governs.

8 (b) The Carolyn Adams Ticket For The Cure Grant Fund is
9 created as a special fund in the State treasury. The net
10 revenue from the Carolyn Adams Ticket For The Cure special
11 instant scratch-off game shall be deposited into the Fund for
12 appropriation by the General Assembly solely to the Department
13 of Public Health for the purpose of making grants to public or
14 private entities in Illinois for the purpose of funding breast
15 cancer research, and supportive services for breast cancer
16 survivors and those impacted by breast cancer and breast cancer
17 education. In awarding grants, the Department of Public Health
18 shall consider criteria that includes, but is not limited to,
19 projects and initiatives that address disparities in incidence
20 and mortality rates of breast cancer, based on data from the
21 Illinois Cancer Registry, and populations facing barriers to
22 care. The Department of Public Health shall, before grants are
23 awarded, provide copies of all grant applications to the
24 Carolyn Adams Ticket For The Cure Board, receive and review the
25 Board's recommendations and comments, and consult with the
26 Board regarding the grants. For purposes of this Section, the

1 term "research" includes, without limitation, expenditures to
2 develop and advance the understanding, techniques, and
3 modalities effective in the detection, prevention, screening,
4 and treatment of breast cancer and may include clinical trials.
5 The grant funds may not be used for institutional,
6 organizational, or community-based overhead costs, indirect
7 costs, or levies.

8 Moneys received for the purposes of this Section,
9 including, without limitation, net revenue from the special
10 instant scratch-off game and gifts, grants, and awards from any
11 public or private entity, must be deposited into the Fund. Any
12 interest earned on moneys in the Fund must be deposited into
13 the Fund.

14 For purposes of this subsection, "net revenue" means the
15 total amount for which tickets have been sold less the sum of
16 the amount paid out in prizes and the actual administrative
17 expenses of the Department solely related to the Ticket For The
18 Cure game.

19 (c) During the time that tickets are sold for the Carolyn
20 Adams Ticket For The Cure game, the Department shall not
21 unreasonably diminish the efforts devoted to marketing any
22 other instant scratch-off lottery game.

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

25 (Source: P.A. 96-1290, eff. 7-26-10; 97-92, eff. 7-11-11;
26 97-464, eff. 10-15-11; 97-813, eff. 7-13-12.)

1 (20 ILCS 1605/21.6)

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

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

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

18 (i) veterans' post traumatic stress disorder;

19 (ii) veterans' homelessness;

20 (iii) the health insurance costs of veterans;

21 (iv) veterans' disability benefits, including but not
22 limited to, disability benefits provided by veterans
23 service organizations and veterans assistance commissions
24 or centers;

25 (v) the long-term care of veterans; provided that,

1 beginning with moneys appropriated for fiscal year 2008, no
2 more than 20% of such moneys shall be used for health
3 insurance costs; and

4 (vi) veteran employment and employment training.

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

18 Moneys collected from the special instant scratch-off game
19 shall be used only as a supplemental financial resource and
20 shall not supplant existing moneys that the Department of
21 Veterans Affairs may currently expend for the purposes set
22 forth in items (i) through (v).

23 Moneys received for the purposes of this Section,
24 including, without limitation, net revenue from the special
25 instant scratch-off game and from gifts, grants, and awards
26 from any public or private entity, must be deposited into the

1 Fund. Any interest earned on moneys in the Fund must be
2 deposited into the Fund.

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

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

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

14 (Source: P.A. 97-464, eff. 10-15-11; 97-740, eff. 7-5-12.)

15 (20 ILCS 1605/21.7)

16 Sec. 21.7. Scratch-out Multiple Sclerosis scratch-off
17 game.

18 (a) The Department shall offer a special instant
19 scratch-off game for the benefit of research pertaining to
20 multiple sclerosis. The game shall commence on July 1, 2008 or
21 as soon thereafter, in the discretion of the Director
22 ~~Superintendent~~, as is reasonably practical. The operation of
23 the game shall be governed by this Act and any rules adopted by
24 the Department. If any provision of this Section is
25 inconsistent with any other provision of this Act, then this

1 Section governs.

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

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

17 For purposes of this Section, the term "research" includes,
18 without limitation, expenditures to develop and advance the
19 understanding, techniques, and modalities effective for
20 maintaining function, mobility, and strength through
21 preventive physical therapy or other treatments and to develop
22 and advance the repair of myelin, neuron, and axon damage
23 caused by an acquired demyelinating disease of the central
24 nervous system and the restoration of function, including but
25 not limited to, nervous system repair or neuroregeneration.

26 The grant funds may not be used for institutional,

1 organizational, or community-based overhead costs, indirect
2 costs, or levies.

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

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

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

14 (Source: P.A. 97-464, eff. 10-15-11.)

15 (20 ILCS 1605/21.8)

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

17 (a) The Department shall offer a special instant
18 scratch-off game with the title of "Quality of Life". The game
19 shall commence on July 1, 2007 or as soon thereafter, in the
20 discretion of the Director ~~Superintendent~~, as is reasonably
21 practical, and shall be discontinued on December 31, 2017. The
22 operation of the game is governed by this Act and by any rules
23 adopted by the Department. The Department must consult with the
24 Quality of Life Board, which is established under Section
25 2310-348 of the Department of Public Health Powers and Duties

1 Law of the Civil Administrative Code of Illinois, regarding the
2 design and promotion of the game. If any provision of this
3 Section is inconsistent with any other provision of this Act,
4 then this Section governs.

5 (b) The Quality of Life Endowment Fund is created as a
6 special fund in the State treasury. The net revenue from the
7 Quality of Life special instant scratch-off game must be
8 deposited into the Fund for appropriation by the General
9 Assembly solely to the Department of Public Health for the
10 purpose of HIV/AIDS-prevention education and for making grants
11 to public or private entities in Illinois for the purpose of
12 funding organizations that serve the highest at-risk
13 categories for contracting HIV or developing AIDS. Grants shall
14 be targeted to serve at-risk populations in proportion to the
15 distribution of recent reported Illinois HIV/AIDS cases among
16 risk groups as reported by the Illinois Department of Public
17 Health. The recipient organizations must be engaged in
18 HIV/AIDS-prevention education and HIV/AIDS healthcare
19 treatment. The Department must, before grants are awarded,
20 provide copies of all grant applications to the Quality of Life
21 Board, receive and review the Board's recommendations and
22 comments, and consult with the Board regarding the grants.
23 Organizational size will determine an organization's
24 competitive slot in the "Request for Proposal" process.
25 Organizations with an annual budget of \$300,000 or less will
26 compete with like size organizations for 50% of the Quality of

1 Life annual fund. Organizations with an annual budget of
2 \$300,001 to \$700,000 will compete with like organizations for
3 25% of the Quality of Life annual fund, and organizations with
4 an annual budget of \$700,001 and upward will compete with like
5 organizations for 25% of the Quality of Life annual fund. The
6 lottery may designate a percentage of proceeds for marketing
7 purpose. The grant funds may not be used for institutional,
8 organizational, or community-based overhead costs, indirect
9 costs, or levies.

10 Grants awarded from the Fund are intended to augment the
11 current and future State funding for the prevention and
12 treatment of HIV/AIDS and are not intended to replace that
13 funding.

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

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

25 (c) During the time that tickets are sold for the Quality
26 of Life game, the Department shall not unreasonably diminish

1 the efforts devoted to marketing any other instant scratch-off
2 lottery game.

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

6 (Source: P.A. 97-464, eff. 10-15-11; 97-1117, eff. 8-27-12.)

7 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

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

15 (b) All proceeds from investments made pursuant to
16 contracts executed by the State Treasurer, with the consent of
17 the Director ~~Superintendent~~, to perform financial functions,
18 activities or services in connection with operation of the
19 lottery, shall be deposited and held by the State Treasurer as
20 ex-officio custodian thereof, separate and apart from all
21 public money or funds of this State in a special trust fund
22 outside the State treasury. Such trust fund shall be known as
23 the "Deferred Lottery Prize Winners Trust Fund", and shall be
24 administered by the Director ~~Superintendent~~.

25 The Director ~~Superintendent~~ shall, at such times and in

1 such amounts as shall be necessary, prepare and send to the
2 State Comptroller vouchers requesting payment from the
3 Deferred Lottery Prize Winners Trust Fund to deferred prize
4 winners, in a manner that will insure the timely payment of
5 such amounts owed.

6 This Act shall constitute an irrevocable appropriation of
7 all amounts necessary for that purpose, and the irrevocable and
8 continuing authority for and direction to the Director
9 ~~Superintendent~~ and the State Treasurer to make the necessary
10 payments out of such trust fund for that purpose.

11 (c) Moneys invested pursuant to subsection (a) of this
12 Section may be invested only in bonds, notes, certificates of
13 indebtedness, treasury bills, or other securities constituting
14 direct obligations of the United States of America and all
15 securities or obligations the prompt payment of principal and
16 interest of which is guaranteed by a pledge of the full faith
17 and credit of the United States of America. Interest earnings
18 on moneys in the Deferred Lottery Prize Winners Trust Fund
19 shall remain in such fund and be used to pay the winners of
20 lottery prizes deferred as to payment until such obligations
21 are discharged. Proceeds from bonds purchased and interest
22 accumulated as a result of a grand prize multi-state game
23 ticket that goes unclaimed will be transferred after the
24 termination of the relevant claim period directly from the
25 lottery's Deferred Lottery Prize Winners Trust Fund to each
26 respective multi-state partner state according to its

1 contribution ratio.

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

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

17 (c-15) From time to time, the Director ~~Superintendent~~ may
18 request that the State Comptroller transfer any excess moneys
19 in the Deferred Lottery Prize Winners Trust Fund to the State
20 Lottery Fund.

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

23 (Source: P.A. 97-464, eff. 10-15-11; revised 10-17-12.)

24 (20 ILCS 1605/29)

25 Sec. 29. The Department of the Lottery.

1 (a) Executive Order No. 2003-09 is hereby superseded by
2 this amendatory Act of the 97th General Assembly to the extent
3 that Executive Order No. 2003-09 transfers the powers, duties,
4 rights, and responsibilities of the Department of the Lottery
5 to the Division of the Lottery within the Department of
6 Revenue.

7 (b) The Division of the Lottery within the Department of
8 Revenue is hereby abolished and the Department of the Lottery
9 is created as an independent department. On the effective date
10 of this amendatory Act of the 97th General Assembly, all
11 powers, duties, rights, and responsibilities of the Division of
12 the Lottery within the Department of Revenue shall be
13 transferred to the Department of the Lottery.

14 (c) The personnel of the Division of the Lottery within the
15 Department of Revenue shall be transferred to the Department of
16 the Lottery. The status and rights of such employees under the
17 Personnel Code shall not be affected by the transfer. The
18 rights of the employees and the State of Illinois and its
19 agencies under the Personnel Code and applicable collective
20 bargaining agreements or under any pension, retirement, or
21 annuity plan shall not be affected by this amendatory Act of
22 the 97th General Assembly. To the extent that an employee
23 performs duties for the Division of the Lottery within the
24 Department of Revenue and the Department of Revenue itself or
25 any other division or agency within the Department of Revenue,
26 that employee shall be transferred at the Governor's

1 discretion.

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

11 (e) All unexpended appropriations and balances and other
12 funds available for use by the Division of the Lottery within
13 the Department of Revenue shall be transferred for use by the
14 Department of the Lottery pursuant to the direction of the
15 Governor. Unexpended balances so transferred shall be expended
16 only for the purpose for which the appropriations were
17 originally made.

18 (f) The powers, duties, rights, and responsibilities
19 transferred from the Division of the Lottery within the
20 Department of Revenue by this amendatory Act of the 97th
21 General Assembly shall be vested in and shall be exercised by
22 the Department of the Lottery.

23 (g) Whenever reports or notices are now required to be made
24 or given or papers or documents furnished or served by any
25 person to or upon the Division of the Lottery within the
26 Department of Revenue in connection with any of the powers,

1 duties, rights, and responsibilities transferred by this
2 amendatory Act of the 97th General Assembly, the same shall be
3 made, given, furnished, or served in the same manner to or upon
4 the Department of the Lottery.

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

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

22 Any proposed rules filed with the Secretary of State by the
23 Division of the Lottery within the Department of Revenue that
24 are pending in the rulemaking process on the effective date of
25 this amendatory Act of the 97th General Assembly and pertain to
26 the powers, duties, rights, and responsibilities transferred,

1 shall be deemed to have been filed by the Department of the
2 Lottery. As soon as practicable hereafter, the Department of
3 the Lottery shall revise and clarify the rules transferred to
4 it under this amendatory Act of the 97th General Assembly to
5 reflect the reorganization of powers, duties, rights, and
6 responsibilities affected by this amendatory Act, using the
7 procedures for recodification of rules available under the
8 Illinois Administrative Procedure Act, except that existing
9 title, part, and section numbering for the affected rules may
10 be retained. The Department of the Lottery may propose and
11 adopt under the Illinois Administrative Procedure Act such
12 other rules of the Division of the Lottery within the
13 Department of Revenue that will now be administered by the
14 Department of the Lottery.

15 To the extent that, prior to the effective date of this
16 amendatory Act of the 97th General Assembly, the Superintendent
17 of the Division of the Lottery within the Department of Revenue
18 had been empowered to prescribe rules or had other rulemaking
19 authority jointly with the Director of the Department of
20 Revenue with regard to the powers, duties, rights, and
21 responsibilities of the Division of the Lottery within the
22 Department of Revenue, such duties shall be exercised from and
23 after the effective date of this amendatory Act of the 97th
24 General Assembly solely by the Superintendent or Director of
25 the Department of the Lottery.

26 (Source: P.A. 97-464, eff. 10-15-11; 97-813, eff. 7-13-12.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	20 ILCS 5/5-20	was 20 ILCS 5/4
4	20 ILCS 5/5-372 new	
5	20 ILCS 1605/3	from Ch. 120, par. 1153
6	20 ILCS 1605/5	from Ch. 120, par. 1155
7	20 ILCS 1605/6	from Ch. 120, par. 1156
8	20 ILCS 1605/7.6	from Ch. 120, par. 1157.6
9	20 ILCS 1605/7.8a	from Ch. 120, par. 1157.8a
10	20 ILCS 1605/7.12	
11	20 ILCS 1605/9	from Ch. 120, par. 1159
12	20 ILCS 1605/10	from Ch. 120, par. 1160
13	20 ILCS 1605/13	from Ch. 120, par. 1163
14	20 ILCS 1605/14.4	
15	20 ILCS 1605/19	from Ch. 120, par. 1169
16	20 ILCS 1605/20.1	from Ch. 120, par. 1170.1
17	20 ILCS 1605/21	from Ch. 120, par. 1171
18	20 ILCS 1605/21.5	
19	20 ILCS 1605/21.6	
20	20 ILCS 1605/21.7	
21	20 ILCS 1605/21.8	
22	20 ILCS 1605/27	from Ch. 120, par. 1177
23	20 ILCS 1605/29	