



Rep. Ed Sullivan

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LRB099 03069 AMC 45447 a

1 AMENDMENT TO SENATE BILL 513

2 AMENDMENT NO. _____. Amend Senate Bill 513 by replacing
3 everything after the enacting clause with the following:

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

6 (20 ILCS 1605/7.12)

7 Sec. 7.12. Internet ~~pilot~~ program.

8 (a) The General Assembly finds that:

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

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

16 (3) the current practices of selling lottery tickets

1 does not appeal to the new form of market participants who
2 prefer to make purchases on the Internet at their own
3 convenience.

4 It is the intent of the General Assembly to create an
5 Internet ~~pilot~~ program for the sale of lottery tickets to
6 capture this new form of market participant.

7 (b) The Department shall create a ~~pilot~~ program that allows
8 an individual 18 years of age or older to purchase lottery
9 tickets or shares on the Internet without using a Lottery
10 retailer with on-line status, as those terms are defined by
11 rule. The Department shall restrict the sale of lottery tickets
12 on the Internet to transactions initiated and received or
13 otherwise made exclusively within the State of Illinois. The
14 Department shall adopt rules necessary for the administration
15 of this program. These rules shall include, among other things,
16 requirements for marketing of the Lottery to infrequent
17 players, as well as limitations on the purchases that may be
18 made through any one individual's lottery account. The
19 provisions of this Act and the rules adopted under this Act
20 shall apply to the sale of lottery tickets or shares under this
21 program.

22 Before beginning the ~~pilot~~ program, the Department of the
23 Lottery must submit a request to the United States Department
24 of Justice for review of the State's plan to implement a ~~pilot~~
25 program for the sale of lottery tickets on the Internet and its
26 propriety under federal law. The Department shall implement the

1 Internet ~~pilot~~ program only if the Department of Justice does
2 not object to the implementation of the program within a
3 reasonable period of time after its review.

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

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

26 ~~The pilot program shall last for not less than 36 months,~~

1 ~~but not more than 48 months from the date of its initial~~
2 ~~operation.~~

3 Nothing in this Section shall be construed as prohibiting
4 the Department from implementing and operating a website portal
5 whereby individuals who are 18 years of age or older with an
6 Illinois mailing address may apply to purchase lottery tickets
7 via subscription. Nothing in this Section shall also be
8 construed as prohibiting the sale of Lotto, Mega Millions, and
9 Powerball games by a lottery licensee pursuant to the
10 Department's rules.

11 (c) (Blank). ~~There is created the Internet Lottery Study~~
12 ~~Committee as an advisory body within the Department. The~~
13 ~~Department shall conduct a study to determine the impact of the~~
14 ~~Internet pilot program on lottery licensees. The Department~~
15 ~~shall also determine the feasibility of the sale of stored~~
16 ~~value cards by lottery licensees as a non exclusive option for~~
17 ~~use by individuals 18 years of age or older who purchase~~
18 ~~tickets for authorized lottery games in the Internet pilot~~
19 ~~program. For the purposes of this study, it is anticipated that~~
20 ~~the stored value cards will have, but need not be limited to,~~
21 ~~the following characteristics: (1) the cards will be available~~
22 ~~only to individuals 18 years of age and older; (2) the cards~~
23 ~~will be rechargeable, closed loop cards that can only be loaded~~
24 ~~with cash; (3) the cards will have unique identifying numbers~~
25 ~~to be used for on line play; (4) the cards will have on line~~
26 ~~play subtracted from the card's value; (5) the cards may have~~

1 ~~on-line winnings added to them; (6) the cards will be used at~~
2 ~~Lottery retailers to cash out winnings of up to \$600; and (7)~~
3 ~~the cards will meet all technological, programming, and~~
4 ~~security requirements mandated by the Department and the~~
5 ~~governing bodies of both Mega Millions and Powerball.~~

6 ~~To the fullest extent possible, but subject to available~~
7 ~~resources, the Department shall ensure that the study evaluates~~
8 ~~and analyzes at least the following issues:~~

9 ~~(1) economic benefits to the State from Internet~~
10 ~~Lottery sales from stored value cards and from resulting~~
11 ~~sales taxes;~~

12 ~~(2) economic benefits to local governments from sales~~
13 ~~taxes generated from Internet Lottery sales through stored~~
14 ~~value cards;~~

15 ~~(3) economic benefits to Lottery retailers from~~
16 ~~Internet Lottery sales and from ancillary retail product~~
17 ~~sales in connection with the same;~~

18 ~~(4) enhanced player age verification from face to face~~
19 ~~interaction;~~

20 ~~(5) enhanced control of gambling addiction from~~
21 ~~face to face interaction;~~

22 ~~(6) elimination of credit card overspending through~~
23 ~~the use of stored value cards and resulting reduced debt~~
24 ~~issues;~~

25 ~~(7) the feasibility of the utilization of existing~~
26 ~~Lottery machines to dispense stored value cards;~~

1 ~~(8) the technological, programming, and security~~
2 ~~requirements to make stored value cards an appropriate~~
3 ~~sales alternative; and~~

4 ~~(9) the cost and project time estimates for~~
5 ~~implementation, including adaptation of existing Lottery~~
6 ~~machines, programming, and technology enhancements and~~
7 ~~impact to operations.~~

8 ~~The Study Committee shall consist of the Director or his or~~
9 ~~her designee; the chief executive officer of the Lottery's~~
10 ~~private manager or his or her designee; a representative~~
11 ~~appointed by the Governor's Office; 2 representatives of the~~
12 ~~lottery licensee community appointed by the Director; one~~
13 ~~representative of a statewide association representing food~~
14 ~~retailers appointed by the Director; and one representative of~~
15 ~~a statewide association representing retail merchants~~
16 ~~appointed by the Director.~~

17 ~~Members of the Study Committee shall be appointed within 30~~
18 ~~days after the effective date of this amendatory Act of the~~
19 ~~97th General Assembly. No later than 6 months after the~~
20 ~~effective date of this amendatory Act of the 97th General~~
21 ~~Assembly, the Department shall provide to the members of the~~
22 ~~Study Committee the proposed findings and recommendations of~~
23 ~~the study in order to solicit input from the Study Committee.~~
24 ~~Within 30 calendar days thereafter, the Study Committee shall~~
25 ~~convene a meeting of the members to discuss the proposed~~
26 ~~findings and recommendations of the study. No later than 15~~

1 ~~calendar days after meeting, the Study Committee shall submit~~
2 ~~to the Department any written changes, additions, or~~
3 ~~corrections the Study Committee wishes the Department to make~~
4 ~~to the study. The Department shall consider the propriety of~~
5 ~~and respond to each change, addition, or correction offered by~~
6 ~~the Study Committee in the study. The Department shall also set~~
7 ~~forth any such change, addition, or correction offered by~~
8 ~~members of the Study Committee and the Department's responses~~
9 ~~thereto in the appendix to the study. No later than 15 calendar~~
10 ~~days after receiving the changes, additions, or corrections~~
11 ~~offered by the Study Committee, the Department shall deliver~~
12 ~~copies of the final study and appendices, if any, to the~~
13 ~~Governor, President of the Senate, Minority Leader of the~~
14 ~~Senate, Speaker of the House of Representatives, Minority~~
15 ~~Leader of the House of Representatives, and each of the members~~
16 ~~of the Study Committee.~~

17 (Source: P.A. 97-464, eff. 10-15-11; 97-1121, eff. 8-27-12;
18 98-499, eff. 8-16-13.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law."