



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2193

Introduced 11/3/2015, by Sen. Kwame Raoul

SYNOPSIS AS INTRODUCED:

New Act
720 ILCS 5/28-1

from Ch. 38, par. 28-1

Creates the Fantasy Contests Act. Establishes certain requirements for policies and procedures for the operation of fantasy contests. Provides that any person, firm, corporation, association, agent, or employee who violates any provision of the Act shall be liable for a civil penalty of not more than \$1,000 for each violation, which may be recovered in a civil action brought by the Attorney General. Amends the Gambling Article of the Criminal Code of 2012. Provides that participants in fantasy contests as defined under the Fantasy Contests Act shall not be convicted of gambling. Effective immediately.

LRB099 15040 AMC 39249 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning fantasy contests.

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

4 Section 1. Short title. This Act may be cited as the
5 Fantasy Contests Act.

6 Section 5. Definitions. As used in this Act:

7 "Confidential information" means information related to
8 the play of a fantasy contest by fantasy contest players
9 obtained as a result of or by virtue of a person's employment.

10 "Fantasy contest" means any fantasy or simulated game or
11 contest in which:

12 (1) winning participants are eligible to receive cash
13 or anything else of value;

14 (2) the value of all prizes and awards offered to
15 winning participants are established and made known to the
16 participants in advance of the contest;

17 (3) all winning outcomes reflect the relative
18 knowledge and skill of the participants and shall be
19 determined predominantly by accumulated statistical
20 results of the performance of individuals, including
21 athletes in the case of sports events; and

22 (4) no winning outcome is based on the score, point
23 spread, or any performance or performances of any single

1 actual team or combination of such teams or solely on any
2 single performance of an individual athlete or player in
3 any single actual event.

4 "Fantasy contest operator" means a person or entity that
5 offers a fantasy contest for a cash or cash equivalent prize to
6 members of the public.

7 "Fantasy contest player" means a person who participates in
8 a fantasy contest offered by a fantasy contest operator.

9 Section 10. Policies and procedures. A fantasy contest
10 operator offering fantasy contests in this State shall
11 implement policies and procedures that are intended to:

12 (1) prevent employees of the fantasy contest operator
13 from competing in any fantasy contest offered by a fantasy
14 contest operator;

15 (2) prevent sharing of confidential information that
16 could affect fantasy contest play with third parties until
17 the information is made publicly available;

18 (3) have a mechanism in place that is designed to
19 verify that a fantasy contest player is 18 years of age or
20 older;

21 (4) ensure that individuals who participate in a game
22 or contest that is the subject of a fantasy contest are
23 restricted from entering a fantasy contest that is
24 determined, in whole or in part, on the accumulated
25 statistical results of a team of individuals in the game or

1 contest in which they are a player;

2 (5) allow individuals to restrict themselves from
3 entering a fantasy contest upon request and take reasonable
4 steps to prevent those individuals from entering the
5 operator's fantasy contests;

6 (6) post the number of entries a single fantasy contest
7 player may submit to each fantasy contest and take
8 reasonable steps to prevent players from submitting more
9 than the allowable number;

10 (7) check for tax liens and child support obligations
11 of greater than \$10,000 prior to paying a cash prize to a
12 fantasy contest player of greater than \$5,000;

13 (8) segregate player funds from operational funds and
14 maintain a reserve in the form of cash, cash equivalents,
15 an irrevocable letter of credit, or a bond, or a
16 combination of any of these types, in the amount of the
17 deposits in player accounts for the benefit and protection
18 of authorized fantasy contest players' funds held in
19 fantasy contest accounts;

20 (9) annually contract with a third party to perform an
21 independent audit, consistent with the standards
22 established by the Public Company Accounting Oversight
23 Board, to ensure compliance with all of the requirements in
24 this Act; and

25 (10) submit the results of the independent audit to the
26 Office of the Attorney General.

1 Section 15. Penalties. Any person, firm, corporation,
2 association, agent, or employee who violates any provision of
3 this Act shall be liable for a civil penalty of not more than
4 \$1,000 for each such violation, which shall accrue to the State
5 and may be recovered in a civil action brought by the Attorney
6 General.

7 Section 90. The Criminal Code of 2012 is amended by
8 changing Section 28-1 as follows:

9 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

10 (Text of Section before amendment by P.A. 99-149)

11 Sec. 28-1. Gambling.

12 (a) A person commits gambling when he or she:

13 (1) knowingly plays a game of chance or skill for money
14 or other thing of value, unless excepted in subsection (b)
15 of this Section;

16 (2) knowingly makes a wager upon the result of any
17 game, contest, or any political nomination, appointment or
18 election;

19 (3) knowingly operates, keeps, owns, uses, purchases,
20 exhibits, rents, sells, bargains for the sale or lease of,
21 manufactures or distributes any gambling device;

22 (4) contracts to have or give himself or herself or
23 another the option to buy or sell, or contracts to buy or

1 sell, at a future time, any grain or other commodity
2 whatsoever, or any stock or security of any company, where
3 it is at the time of making such contract intended by both
4 parties thereto that the contract to buy or sell, or the
5 option, whenever exercised, or the contract resulting
6 therefrom, shall be settled, not by the receipt or delivery
7 of such property, but by the payment only of differences in
8 prices thereof; however, the issuance, purchase, sale,
9 exercise, endorsement or guarantee, by or through a person
10 registered with the Secretary of State pursuant to Section
11 8 of the Illinois Securities Law of 1953, or by or through
12 a person exempt from such registration under said Section
13 8, of a put, call, or other option to buy or sell
14 securities which have been registered with the Secretary of
15 State or which are exempt from such registration under
16 Section 3 of the Illinois Securities Law of 1953 is not
17 gambling within the meaning of this paragraph (4);

18 (5) knowingly owns or possesses any book, instrument or
19 apparatus by means of which bets or wagers have been, or
20 are, recorded or registered, or knowingly possesses any
21 money which he has received in the course of a bet or
22 wager;

23 (6) knowingly sells pools upon the result of any game
24 or contest of skill or chance, political nomination,
25 appointment or election;

26 (7) knowingly sets up or promotes any lottery or sells,

1 offers to sell or transfers any ticket or share for any
2 lottery;

3 (8) knowingly sets up or promotes any policy game or
4 sells, offers to sell or knowingly possesses or transfers
5 any policy ticket, slip, record, document or other similar
6 device;

7 (9) knowingly drafts, prints or publishes any lottery
8 ticket or share, or any policy ticket, slip, record,
9 document or similar device, except for such activity
10 related to lotteries, bingo games and raffles authorized by
11 and conducted in accordance with the laws of Illinois or
12 any other state or foreign government;

13 (10) knowingly advertises any lottery or policy game,
14 except for such activity related to lotteries, bingo games
15 and raffles authorized by and conducted in accordance with
16 the laws of Illinois or any other state;

17 (11) knowingly transmits information as to wagers,
18 betting odds, or changes in betting odds by telephone,
19 telegraph, radio, semaphore or similar means; or knowingly
20 installs or maintains equipment for the transmission or
21 receipt of such information; except that nothing in this
22 subdivision (11) prohibits transmission or receipt of such
23 information for use in news reporting of sporting events or
24 contests; or

25 (12) knowingly establishes, maintains, or operates an
26 Internet site that permits a person to play a game of

1 chance or skill for money or other thing of value by means
2 of the Internet or to make a wager upon the result of any
3 game, contest, political nomination, appointment, or
4 election by means of the Internet. This item (12) does not
5 apply to activities referenced in items (6) and (6.1) of
6 subsection (b) of this Section.

7 (b) Participants in any of the following activities shall
8 not be convicted of gambling:

9 (1) Agreements to compensate for loss caused by the
10 happening of chance including without limitation contracts
11 of indemnity or guaranty and life or health or accident
12 insurance.

13 (2) Offers of prizes, award or compensation to the
14 actual contestants in any bona fide contest for the
15 determination of skill, speed, strength or endurance or to
16 the owners of animals or vehicles entered in such contest.

17 (3) Pari-mutuel betting as authorized by the law of
18 this State.

19 (4) Manufacture of gambling devices, including the
20 acquisition of essential parts therefor and the assembly
21 thereof, for transportation in interstate or foreign
22 commerce to any place outside this State when such
23 transportation is not prohibited by any applicable Federal
24 law; or the manufacture, distribution, or possession of
25 video gaming terminals, as defined in the Video Gaming Act,
26 by manufacturers, distributors, and terminal operators

1 licensed to do so under the Video Gaming Act.

2 (5) The game commonly known as "bingo", when conducted
3 in accordance with the Bingo License and Tax Act.

4 (6) Lotteries when conducted by the State of Illinois
5 in accordance with the Illinois Lottery Law. This exemption
6 includes any activity conducted by the Department of
7 Revenue to sell lottery tickets pursuant to the provisions
8 of the Illinois Lottery Law and its rules.

9 (6.1) The purchase of lottery tickets through the
10 Internet for a lottery conducted by the State of Illinois
11 under the program established in Section 7.12 of the
12 Illinois Lottery Law.

13 (7) Possession of an antique slot machine that is
14 neither used nor intended to be used in the operation or
15 promotion of any unlawful gambling activity or enterprise.
16 For the purpose of this subparagraph (b) (7), an antique
17 slot machine is one manufactured 25 years ago or earlier.

18 (8) Raffles and poker runs when conducted in accordance
19 with the Raffles and Poker Runs Act.

20 (9) Charitable games when conducted in accordance with
21 the Charitable Games Act.

22 (10) Pull tabs and jar games when conducted under the
23 Illinois Pull Tabs and Jar Games Act.

24 (11) Gambling games conducted on riverboats when
25 authorized by the Riverboat Gambling Act.

26 (12) Video gaming terminal games at a licensed

1 establishment, licensed truck stop establishment, licensed
2 fraternal establishment, or licensed veterans
3 establishment when conducted in accordance with the Video
4 Gaming Act.

5 (13) Games of skill or chance where money or other
6 things of value can be won but no payment or purchase is
7 required to participate.

8 (15) Fantasy contests as defined under the Fantasy
9 Contests Act.

10 (c) Sentence.

11 Gambling is a Class A misdemeanor. A second or subsequent
12 conviction under subsections (a) (3) through (a) (12), is a Class
13 4 felony.

14 (d) Circumstantial evidence.

15 In prosecutions under this Section circumstantial evidence
16 shall have the same validity and weight as in any criminal
17 prosecution.

18 (Source: P.A. 97-1108, eff. 1-1-13; 98-644, eff. 6-10-14.)

19 (Text of Section after amendment by P.A. 99-149)

20 Sec. 28-1. Gambling.

21 (a) A person commits gambling when he or she:

22 (1) knowingly plays a game of chance or skill for money
23 or other thing of value, unless excepted in subsection (b)
24 of this Section;

25 (2) knowingly makes a wager upon the result of any

1 game, contest, or any political nomination, appointment or
2 election;

3 (3) knowingly operates, keeps, owns, uses, purchases,
4 exhibits, rents, sells, bargains for the sale or lease of,
5 manufactures or distributes any gambling device;

6 (4) contracts to have or give himself or herself or
7 another the option to buy or sell, or contracts to buy or
8 sell, at a future time, any grain or other commodity
9 whatsoever, or any stock or security of any company, where
10 it is at the time of making such contract intended by both
11 parties thereto that the contract to buy or sell, or the
12 option, whenever exercised, or the contract resulting
13 therefrom, shall be settled, not by the receipt or delivery
14 of such property, but by the payment only of differences in
15 prices thereof; however, the issuance, purchase, sale,
16 exercise, endorsement or guarantee, by or through a person
17 registered with the Secretary of State pursuant to Section
18 8 of the Illinois Securities Law of 1953, or by or through
19 a person exempt from such registration under said Section
20 8, of a put, call, or other option to buy or sell
21 securities which have been registered with the Secretary of
22 State or which are exempt from such registration under
23 Section 3 of the Illinois Securities Law of 1953 is not
24 gambling within the meaning of this paragraph (4);

25 (5) knowingly owns or possesses any book, instrument or
26 apparatus by means of which bets or wagers have been, or

1 are, recorded or registered, or knowingly possesses any
2 money which he has received in the course of a bet or
3 wager;

4 (6) knowingly sells pools upon the result of any game
5 or contest of skill or chance, political nomination,
6 appointment or election;

7 (7) knowingly sets up or promotes any lottery or sells,
8 offers to sell or transfers any ticket or share for any
9 lottery;

10 (8) knowingly sets up or promotes any policy game or
11 sells, offers to sell or knowingly possesses or transfers
12 any policy ticket, slip, record, document or other similar
13 device;

14 (9) knowingly drafts, prints or publishes any lottery
15 ticket or share, or any policy ticket, slip, record,
16 document or similar device, except for such activity
17 related to lotteries, bingo games and raffles authorized by
18 and conducted in accordance with the laws of Illinois or
19 any other state or foreign government;

20 (10) knowingly advertises any lottery or policy game,
21 except for such activity related to lotteries, bingo games
22 and raffles authorized by and conducted in accordance with
23 the laws of Illinois or any other state;

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25 betting odds, or changes in betting odds by telephone,
26 telegraph, radio, semaphore or similar means; or knowingly

1 installs or maintains equipment for the transmission or
2 receipt of such information; except that nothing in this
3 subdivision (11) prohibits transmission or receipt of such
4 information for use in news reporting of sporting events or
5 contests; or

6 (12) knowingly establishes, maintains, or operates an
7 Internet site that permits a person to play a game of
8 chance or skill for money or other thing of value by means
9 of the Internet or to make a wager upon the result of any
10 game, contest, political nomination, appointment, or
11 election by means of the Internet. This item (12) does not
12 apply to activities referenced in items (6) and (6.1) of
13 subsection (b) of this Section.

14 (b) Participants in any of the following activities shall
15 not be convicted of gambling:

16 (1) Agreements to compensate for loss caused by the
17 happening of chance including without limitation contracts
18 of indemnity or guaranty and life or health or accident
19 insurance.

20 (2) Offers of prizes, award or compensation to the
21 actual contestants in any bona fide contest for the
22 determination of skill, speed, strength or endurance or to
23 the owners of animals or vehicles entered in such contest.

24 (3) Pari-mutuel betting as authorized by the law of
25 this State.

26 (4) Manufacture of gambling devices, including the

1 acquisition of essential parts therefor and the assembly
2 thereof, for transportation in interstate or foreign
3 commerce to any place outside this State when such
4 transportation is not prohibited by any applicable Federal
5 law; or the manufacture, distribution, or possession of
6 video gaming terminals, as defined in the Video Gaming Act,
7 by manufacturers, distributors, and terminal operators
8 licensed to do so under the Video Gaming Act.

9 (5) The game commonly known as "bingo", when conducted
10 in accordance with the Bingo License and Tax Act.

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12 in accordance with the Illinois Lottery Law. This exemption
13 includes any activity conducted by the Department of
14 Revenue to sell lottery tickets pursuant to the provisions
15 of the Illinois Lottery Law and its rules.

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17 Internet for a lottery conducted by the State of Illinois
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26 with the Raffles and Poker Runs Act.

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2 the Charitable Games Act.

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4 Illinois Pull Tabs and Jar Games Act.

5 (11) Gambling games conducted on riverboats when
6 authorized by the Riverboat Gambling Act.

7 (12) Video gaming terminal games at a licensed
8 establishment, licensed truck stop establishment, licensed
9 fraternal establishment, or licensed veterans
10 establishment when conducted in accordance with the Video
11 Gaming Act.

12 (13) Games of skill or chance where money or other
13 things of value can be won but no payment or purchase is
14 required to participate.

15 (14) Savings promotion raffles authorized under
16 Section 5g of the Illinois Banking Act, Section 7008 of the
17 Savings Bank Act, Section 42.7 of the Illinois Credit Union
18 Act, Section 5136B of the National Bank Act (12 U.S.C.
19 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
20 1463).

21 (15) Fantasy contests as defined under the Fantasy
22 Contests Act.

23 (c) Sentence.

24 Gambling is a Class A misdemeanor. A second or subsequent
25 conviction under subsections (a) (3) through (a) (12), is a Class
26 4 felony.

1 (d) Circumstantial evidence.

2 In prosecutions under this Section circumstantial evidence
3 shall have the same validity and weight as in any criminal
4 prosecution.

5 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

6 Section 95. No acceleration or delay. Where this Act makes
7 changes in a statute that is represented in this Act by text
8 that is not yet or no longer in effect (for example, a Section
9 represented by multiple versions), the use of that text does
10 not accelerate or delay the taking effect of (i) the changes
11 made by this Act or (ii) provisions derived from any other
12 Public Act.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.