

93RD GENERAL ASSEMBLY State of Illinois 2003 and 2004

Introduced 2/4/2004, by Denny Jacobs

SYNOPSIS AS INTRODUCED:

230 ILCS 20/4 from Ch. 120, par. 1054 230 ILCS 20/5 from Ch. 120, par. 1055

Amends the Pull Tabs and Jar Games Act. Authorizes the conduct of pull tabs and jar games by charitable organizations at premises that are licensed under the Liquor Control Act of 1934 to sell alcoholic liquor for consumption on the premises. Provides that the licensee may retain a portion of the gross proceeds from the conduct of the pull tabs and jar games and that the charitable organization may retain a portion of the proceeds to pay reasonable compensation to its members and employees that conduct the pull tabs and jar games. Deletes the provision requiring that the name of a pull tab ticket and jar game ticket must appear in plain view on the face of the ticket.

LRB093 19026 LRD 44761 b

FISCAL NOTE ACT MAY APPLY

1 AN ACT concerning gaming.

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

- Section 5. The Illinois Pull Tabs and Jar Games Act is amended by changing Sections 4 and 5 as follows:
- 6 (230 ILCS 20/4) (from Ch. 120, par. 1054)
- Sec. 4. The conducting of pull tabs and jar games is subject to the following restrictions:
 - (1) The entire net proceeds of any pull tabs or jar games, except as otherwise approved in this Act, must be exclusively devoted to the lawful purposes of the organization permitted to conduct such drawings.
 - (2) No person except a bona fide member or employee of the sponsoring organization may participate in the management or operation of such pull tabs or jar games; however, nothing herein shall conflict with pull tabs and jar games conducted under the provisions of the Charitable Games Act.
 - (3) Except as otherwise provided in items (7) and (8) of this Section, no No person may receive any remuneration or profit for participating in the management or operation of such pull tabs or jar games; however, nothing herein shall conflict with pull tabs and jar games conducted under the provisions of the Charitable Games Act.
 - (4) The price paid for a single chance or right to participate in a game licensed under this Act shall not exceed \$2. The aggregate value of all prizes or merchandise awarded in any single day of pull tabs and jar games shall not exceed \$5,000, except that in adjoining counties having 200,000 to 275,000 inhabitants each, and in counties which are adjacent to either of such adjoining counties and are adjacent to total of not more than 2 counties in this State, the value of all prizes or merchandise awarded may not exceed \$5,000 in a single day.

- (5) No person under the age of 18 years shall play or participate in games under this Act. A person under the age of 18 years may be within the area where pull tabs and jar games are being conducted only when accompanied by his parent or quardian.
 - (6) Pull tabs and jar games shall be conducted only on premises owned or occupied by licensed organizations and used by its members for general activities, or on premises owned or rented for conducting the game of bingo, or as permitted in subsection (4) of Section 3 or, if conducted by a charitable organization, on premises licensed under the Liquor Control Act of 1934 to sell alcoholic liquor for consumption on the premises.
 - (7) If pull tabs and jar games are conducted by a charitable organization at a premises that is licensed under the Liquor Control Act of 1934 to sell alcoholic liquor for consumption on the premises, the holder of the license to sell alcoholic liquor for consumption on the premises may retain up to 10% of the gross proceeds from the sale of the pull tabs and jar games.
- (8) Notwithstanding any provision of this Act to the contrary, if a charitable organization conducts pull tabs and jar games at a premises that is licensed under the Liquor Control Act of 1934 to sell alcoholic liquor for consumption on the premises, the charitable organization may retain a portion of the gross proceeds from the sale of the pull tabs and jar games and use those proceeds to provide reasonable compensation to members and employees of the charitable organization who conduct the pull tabs and jar games for the management and operation of the pull tabs and jar games.
- 31 (Source: P.A. 90-536, eff. 1-1-98; 90-808, eff. 12-1-98.)
- 32 (230 ILCS 20/5) (from Ch. 120, par. 1055)
- 33 Sec. 5. There shall be paid to the Department of Revenue 5% 34 of the gross proceeds of any pull tabs and jar games conducted 35 under this Act. Such payments shall be made 4 times per year,

between the first and the 20th day of April, July, October and January. Payment must be made by money order or certified check. Accompanying each payment shall be a report, on forms provided by the Department of Revenue, listing the number of drawings conducted, the gross income derived therefrom and such other information as the Department of Revenue may require. Failure to submit either the payment or the report within the specified time shall result in automatic revocation of the license. All payments made to the Department of Revenue under this Act shall be deposited as follows:

- (a) 50% shall be deposited in the Common School Fund; and
- (b) 50% shall be deposited in the Illinois Gaming Law Enforcement Fund. Of the monies deposited in the Illinois Gaming Law Enforcement Fund under this Section, the General Assembly shall appropriate two-thirds to the Department of Revenue, Department of State Police and the Office of the Attorney General for State law enforcement purposes, and one-third shall be appropriated to the Department of Revenue for the purpose of distribution in the form of grants to counties or municipalities for law enforcement purposes. The amounts of grants to counties or municipalities shall bear the same ratio as the number of licenses issued in counties or municipalities bears to the total number of licenses issued in a county, licenses issued for locations within a municipality's boundaries shall be excluded.

The Department of Revenue shall license suppliers and manufacturers of pull tabs and jar games at an annual fee of manufacturers \$5,000. Suppliers and shall meet requirements and qualifications established by rule by the Department. Licensed manufacturers shall sell pull tabs and jar games only to licensed suppliers. Licensed suppliers shall buy pull tabs and jar games only from licensed manufacturers and shall sell pull tabs and jar games only to licensed organizations. Licensed organizations shall buy pull tabs and jar games only from licensed suppliers.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

The Department of Revenue shall adopt by rule minimum quality production standards for pull tabs and jar games. In determining such standards, the Department shall consider the standards adopted by the National Association of Gambling Regulatory Agencies and the National Association $\circ f$ Fundraising Ticket Manufacturers. Such standards shall include the name of the supplier which shall appear in plain view to the casual observer on the face side of each pull tab ticket and on each jar game ticket. The pull tab ticket shall contain the name of the game, the selling price of the ticket, the amount of the prize and the serial number of the ticket. The back side of a pull tab ticket shall contain a series of marked "open here". perforated tabs The logo of manufacturer shall be clearly visible on each jar game ticket.

The Department of Revenue shall adopt rules necessary to provide for the proper accounting and control of activities under this Act, to ensure that the proper taxes are paid, that the proceeds from the activities under this Act are used lawfully, and to prevent illegal activity associated with the use of pull tabs and jar games.

The provisions of Section 2a of the Retailers' Occupation Tax Act pertaining to the furnishing of a bond or other security are incorporated by reference into this Act and are applicable to licensees under this Act as a precondition of obtaining a license under this Act. The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act, and Section 3-7 of the Uniform Penalty and Interest Act, which are not inconsistent with this Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included in this Act. For the purposes of this Act, references in such incorporated Sections of the Retailers' Occupation Tax Act to retailers, sellers or persons engaged in the business of selling tangible personal property means persons engaged in conducting pull tabs and jar games and references in such incorporated Sections of the

- 1 Retailers' Occupation Tax Act to sales of tangible personal
- 2 property mean the conducting of pull tabs and jar games and the
- 3 making of charges for participating in such drawings.
- 4 (Source: P.A. 87-205; 87-895.)