



Rep. LaShawn K. Ford

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09500HB2438ham001

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1 AMENDMENT TO HOUSE BILL 2438

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2438 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Lottery Law is amended by changing  
5 Sections 2, 7.2, 9, 19, 20, and 20.1 and by adding Sections  
6 20.2 and 27.5 as follows:

7 (20 ILCS 1605/2) (from Ch. 120, par. 1152)

8 Sec. 2. This Act is enacted to implement and establish  
9 within the State a lottery to be operated by the State, the  
10 entire net proceeds of which are to be used for the support of  
11 the State's Lottery Supports Schools Fund ~~Common School Fund~~,  
12 except as provided in Sections 21.2, 21.5, 21.6, ~~and~~ 21.7, and  
13 21.8 ~~21.7~~.

14 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;  
15 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.  
16 10-11-07; revised 12-5-07.)

1 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)  
2 Sec. 7.2. The rules and regulations of the Department may  
3 include, but shall not be limited to, the following:

4 (1) The types of lotteries to be conducted;

5 (2) The price, or prices, of tickets or shares in the  
6 lottery;

7 (3) The numbers and sizes of the prizes on the winning  
8 tickets or shares;

9 (4) The manner of selecting the winning tickets or shares;

10 (5) The manner of payment of prizes to the holders of  
11 winning tickets or shares;

12 (6) The frequency of the drawing or selections of winning  
13 tickets or shares, without limitation;

14 (7) Without limit to number, the type or types of locations  
15 at which tickets or shares may be sold;

16 (8) The method to be used in selling tickets or shares;

17 (9) The manner and amount of compensation, if any, to be  
18 paid licensed sales agents necessary to provide for the  
19 adequate availability of tickets or shares to prospective  
20 buyers and for the convenience of the public;

21 (10) The apportionment of the total revenues accruing from  
22 the sale of lottery tickets or shares and from all other  
23 sources among (i) the payment of prizes to the holders of  
24 winning tickets or shares, (ii) the payment of costs incurred  
25 in the operation and administration of the lottery, including

1 the expenses of the Department and the costs resulting from any  
2 contract or contracts entered into for promotional,  
3 advertising or operational services or for the purchase or  
4 lease of lottery equipment and materials, and (iii) for monthly  
5 transfers to the Lottery Supports Schools Fund ~~Common School~~  
6 ~~Fund~~. The net revenues accruing from the sale of lottery  
7 tickets shall be determined by deducting from total revenues  
8 the payments required by paragraphs (i) and (ii) of this  
9 subsection.

10 (11) Such other matters necessary or desirable for the  
11 efficient and economical operation and administration of the  
12 lottery and for the convenience of the purchasers of tickets or  
13 shares and the holders of winning tickets or shares.

14 Any rules and regulations of the Department with respect to  
15 monthly transfers to the Lottery Supports Schools Fund ~~Common~~  
16 ~~School Fund~~ are subject to Section 21.2.

17 (Source: P.A. 84-1128.)

18 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

19 Sec. 9. The Superintendent, as administrative head of the  
20 Division, shall direct and supervise all its administrative and  
21 technical activities and shall report to the Director. In  
22 addition to the duties imposed upon him elsewhere in this Act,  
23 it shall be the Superintendent's duty:

24 a. To supervise and administer the operation of the lottery  
25 in accordance with the provisions of this Act or such rules and

1 regulations of the Department adopted thereunder.

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

4 c. To employ and direct such personnel in accord with the  
5 Personnel Code, as may be necessary to carry out the purposes  
6 of this Act. The Superintendent may, subject to the approval of  
7 the Director, use the services, personnel, or facilities of the  
8 Department. In addition, the Superintendent may by agreement  
9 secure such services as he or she may deem necessary from any  
10 other department, agency, or unit of the State government, and  
11 may employ and compensate such consultants and technical  
12 assistants as may be required and is otherwise permitted by  
13 law.

14 d. To license, in accordance with the provisions of  
15 Sections 10 and 10.1 of this Act and the rules and regulations  
16 of the Department adopted thereunder, as agents to sell lottery  
17 tickets such persons as in his opinion will best serve the  
18 public convenience and promote the sale of tickets or shares.  
19 The Superintendent may require a bond from every licensed  
20 agent, in such amount as provided in the rules and regulations  
21 of the Department. Every licensed agent shall prominently  
22 display his license, or a copy thereof, as provided in the  
23 rules and regulations of the Department.

24 e. To suspend or revoke any license issued pursuant to this  
25 Act or the rules and regulations promulgated by the Department  
26 thereunder.

1           f. To confer regularly as necessary or desirable and not  
2 less than once every month with the Lottery Control Board on  
3 the operation and administration of the Lottery; to make  
4 available for inspection by the Board or any member of the  
5 Board, upon request, all books, records, files, and other  
6 information and documents of his office; to advise the Board  
7 and recommend such rules and regulations and such other matters  
8 as he deems necessary and advisable to improve the operation  
9 and administration of the lottery.

10          g. To enter into contracts for the operation of the  
11 lottery, or any part thereof, and into contracts for the  
12 promotion of the lottery on behalf of the Department with any  
13 person, firm or corporation, to perform any of the functions  
14 provided for in this Act or the rules and regulations  
15 promulgated thereunder. The Department shall not expend State  
16 funds on a contractual basis for such functions unless those  
17 functions and expenditures are expressly authorized by the  
18 General Assembly.

19          h. To enter into an agreement or agreements with the  
20 management of state lotteries operated pursuant to the laws of  
21 other states for the purpose of creating and operating a  
22 multi-state lottery game wherein a separate and distinct prize  
23 pool would be combined to award larger prizes to the public  
24 than could be offered by the several state lotteries,  
25 individually. No tickets or shares offered in connection with a  
26 multi-state lottery game shall be sold within the State of

1 Illinois, except those offered by and through the Department.  
2 No such agreement shall purport to pledge the full faith and  
3 credit of the State of Illinois, nor shall the Department  
4 expend State funds on a contractual basis in connection with  
5 any such game unless such expenditures are expressly authorized  
6 by the General Assembly, provided, however, that in the event  
7 of error or omission by the Illinois State Lottery in the  
8 conduct of the game, as determined by the multi-state game  
9 directors, the Department shall be authorized to pay a prize  
10 winner or winners the lesser of a disputed prize or \$1,000,000,  
11 any such payment to be made solely from funds appropriated for  
12 game prize purposes. The Department shall be authorized to  
13 share in the ordinary operating expenses of any such  
14 multi-state lottery game, from funds appropriated by the  
15 General Assembly, and in the event the multi-state game control  
16 offices are physically located within the State of Illinois,  
17 the Department is authorized to advance start-up operating  
18 costs not to exceed \$150,000, subject to proportionate  
19 reimbursement of such costs by the other participating state  
20 lotteries. The Department shall be authorized to share  
21 proportionately in the costs of establishing a liability  
22 reserve fund from funds appropriated by the General Assembly.  
23 The Department is authorized to transfer prize award funds  
24 attributable to Illinois sales of multi-state lottery game  
25 tickets to the multi-state control office, or its designated  
26 depository, for deposit to such game pool account or accounts

1 as may be established by the multi-state game directors, the  
2 records of which account or accounts shall be available at all  
3 times for inspection in an audit by the Auditor General of  
4 Illinois and any other auditors pursuant to the laws of the  
5 State of Illinois. No multi-state game prize awarded to a  
6 nonresident of Illinois, with respect to a ticket or share  
7 purchased in a state other than the State of Illinois, shall be  
8 deemed to be a prize awarded under this Act for the purpose of  
9 taxation under the Illinois Income Tax Act. All of the net  
10 revenues accruing from the sale of multi-state lottery tickets  
11 or shares shall be transferred into the Lottery Supports  
12 Schools Fund ~~Common School Fund~~ pursuant to Section 7.2. The  
13 Department shall promulgate such rules as may be appropriate to  
14 implement the provisions of this Section.

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

24 j. To report monthly to the State Treasurer and the Lottery  
25 Control Board a full and complete statement of lottery  
26 revenues, prize disbursements and other expenses for each month

1 and the amounts to be transferred to the Common School Fund  
2 pursuant to Section 7.2 or such other funds as are otherwise  
3 authorized by Section 21.2 of this Act, and to make an annual  
4 report, which shall include a full and complete statement of  
5 lottery revenues, prize disbursements and other expenses, to  
6 the Governor and the Board. All reports required by this  
7 subsection shall be public and copies of all such reports shall  
8 be sent to the Speaker of the House, the President of the  
9 Senate, and the minority leaders of both houses.

10 (Source: P.A. 94-776, eff. 5-19-06.)

11 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

12 Sec. 19. Period for claiming prizes; unclaimed prizes. The  
13 Division shall establish an appropriate period for the claiming  
14 of prizes for each lottery game offered. Each claim period  
15 shall be stated in game rules and written play instructions  
16 issued by the Superintendent in accordance with Section 7.1 of  
17 this Act. Written play instructions shall be made available to  
18 all players through sales agents licensed to sell game tickets  
19 or shares. Prizes for lottery games which involve the purchase  
20 of a physical lottery ticket may be claimed only by  
21 presentation of a valid winning lottery ticket that matches  
22 validation records on file with the Lottery; no claim may be  
23 honored which is based on the assertion that the ticket was  
24 lost or stolen. No lottery ticket which has been altered,  
25 mutilated, or fails to pass validation tests shall be deemed to

1 be a winning ticket.

2 If no claim is made for the money within the established  
3 claim period, the prize may be included in the prize pool of  
4 such special drawing or drawings as the Division may, from time  
5 to time, designate. Unclaimed multi-state game prize money may  
6 be included in the multi-state prize pool for such special  
7 drawing or drawings as the multi-state game directors may, from  
8 time to time, designate. Any bonuses offered by the Department  
9 to sales agents who sell winning tickets or shares shall be  
10 payable to such agents regardless of whether or not the prize  
11 money on the ticket or share is claimed, provided that the  
12 agent can be identified as the vendor of the winning ticket or  
13 share, and that the winning ticket or share was sold on or  
14 after January 1, 1984. All unclaimed prize money not included  
15 in the prize pool of a special drawing shall be transferred to  
16 the Lottery Supports Schools Fund ~~Common School Fund~~.

17 (Source: P.A. 94-776, eff. 5-19-06.)

18 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

19 Sec. 20. State Lottery Fund.

20 (a) There is created in the State Treasury a special fund  
21 to be known as the "State Lottery Fund". Such fund shall  
22 consist of all revenues received from (1) the sale of lottery  
23 tickets or shares, (net of commissions, fees representing those  
24 expenses that are directly proportionate to the sale of tickets  
25 or shares at the agent location, and prizes of less than \$600

1 which have been validly paid at the agent level), (2)  
2 application fees, and (3) all other sources including moneys  
3 credited or transferred thereto from any other fund or source  
4 pursuant to law. Interest earnings of the State Lottery Fund  
5 shall be credited to the Lottery Supports Schools Fund ~~Common~~  
6 ~~School Fund~~.

7 (b) The receipt and distribution of moneys under Section  
8 21.5 of this Act shall be in accordance with Section 21.5.

9 (c) The receipt and distribution of moneys under Section  
10 21.6 of this Act shall be in accordance with Section 21.6.

11 (d) The receipt and distribution of moneys under Section  
12 21.7 of this Act shall be in accordance with Section 21.7.

13 (e) ~~(d)~~ The receipt and distribution of moneys under  
14 Section 21.8 ~~21.7~~ of this Act shall be in accordance with  
15 Section 21.8 ~~21.7~~.

16 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;  
17 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.  
18 10-11-07; revised 12-5-07.)

19 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

20 Sec. 20.1. Department account.

21 (a) The Department is authorized to pay validated prizes up  
22 to \$25,000 from funds held by the Department in an account  
23 separate and apart from all public moneys of the State. Moneys  
24 in this account shall be administered by the Director  
25 exclusively for the purposes of issuing payments to prize

1 winners authorized by this Section. Moneys in this account  
2 shall be deposited by the Department into the Public  
3 Treasurers' Investment Pool established under Section 17 of the  
4 State Treasurer Act. The Department shall submit vouchers from  
5 time to time as needed for reimbursement of this account from  
6 moneys appropriated for prizes from the State Lottery Fund.  
7 Investment income earned from this account shall be deposited  
8 monthly by the Department into the Lottery Supports Schools  
9 Fund ~~Common School Fund~~. The Department shall file quarterly  
10 fiscal reports specifying the activity of this account as  
11 required under Section 16 of the State Comptroller Act, and  
12 shall file quarterly with the General Assembly, the Auditor  
13 General, the Comptroller, and the State Treasurer a report  
14 indicating the costs associated with this activity.

15 (b) The Department is authorized to enter into an  
16 interagency agreement with the Office of the Comptroller or any  
17 other State agency to establish responsibilities, duties, and  
18 procedures for complying with the Comptroller's Offset System  
19 under Section 10.05 of the State Comptroller Act. All federal  
20 and State tax reporting and withholding requirements relating  
21 to prize winners under this Section shall be the responsibility  
22 of the Department. Moneys from this account may not be used to  
23 pay amounts to deferred prize winners. Moneys may not be  
24 transferred from the State Lottery Fund to this account for  
25 payment of prizes under this Section until procedures are  
26 implemented to comply with the Comptroller's Offset System and

1 sufficient internal controls are in place to validate prizes.

2 (Source: P.A. 87-1197; 88-676, eff. 12-14-94.)

3 (20 ILCS 1605/20.2 new)

4 Sec. 20.2. Lottery Supports Schools Fund. There is created  
5 a Fund to be known as the Lottery Supports Schools Fund, which  
6 is a non-appropriated trust fund held outside of the State  
7 treasury. The Fund shall consist of moneys paid into it by the  
8 Division as provided in this Law. The Division shall certify  
9 each month to the State Board of Education the proportion of  
10 lottery sales in each school district in relation to statewide  
11 lottery sales. The moneys in the Lottery Supports Schools Fund  
12 must be distributed monthly by the State Board of Education to  
13 each school district based upon that school district's portion  
14 of statewide lottery sales.

15 (20 ILCS 1605/27.5 new)

16 Sec. 27.5. No rulemaking authority. Notwithstanding any  
17 other provision of this Law or any other rulemaking authority  
18 that may exist, on and after the effective date of this  
19 amendatory Act of the 95th General Assembly, neither the  
20 Governor nor any agency or agency head under the jurisdiction  
21 of the Governor has any authority to make or promulgate rules  
22 to implement or enforce the provisions of this Law. If,  
23 however, the Governor believes that rules are necessary to  
24 implement or enforce the provisions of this Law, the Governor

1 may suggest rules to the General Assembly by filing them with  
2 the Clerk of the House and Secretary of the Senate and by  
3 requesting that the General Assembly authorize such rulemaking  
4 by law, enact those suggested rules into law, or take any other  
5 appropriate action in the General Assembly's discretion.  
6 Nothing contained in this Law shall be interpreted to grant  
7 rulemaking authority under any other Illinois statute where  
8 such authority is not otherwise explicitly given. For the  
9 purposes of this Law, "rules" is given the meaning contained in  
10 Section 1-70 of the Illinois Administrative Procedure Act, and  
11 "agency" and "agency head" are given the meanings contained in  
12 Sections 1-20 and 1-25 of the Illinois Administrative Procedure  
13 Act to the extent that such definitions apply to agencies or  
14 agency heads under the jurisdiction of the Governor.

15 Section 10. The School Code is amended by adding Section  
16 2-3.148 as follows:

17 (105 ILCS 5/2-3.148 new)

18 Sec. 2-3.148. Distributions from the Lottery Supports  
19 Schools Fund. The State Board of Education shall make  
20 distributions from the Lottery Supports Schools Fund as  
21 provided in Section 20.2 of the Illinois Lottery Law; however,  
22 the State Board of Education shall not take into account these  
23 distributions when computing State aid under Section 18-8.05 of  
24 this Code.

1       Notwithstanding any other rulemaking authority that may  
2 exist, neither the Governor nor any agency or agency head under  
3 the jurisdiction of the Governor has any authority to make or  
4 promulgate rules to implement or enforce the provisions of this  
5 amendatory Act of the 95th General Assembly. If, however, the  
6 Governor believes that rules are necessary to implement or  
7 enforce the provisions of this amendatory Act of the 95th  
8 General Assembly, the Governor may suggest rules to the General  
9 Assembly by filing them with the Clerk of the House and the  
10 Secretary of the Senate and by requesting that the General  
11 Assembly authorize such rulemaking by law, enact those  
12 suggested rules into law, or take any other appropriate action  
13 in the General Assembly's discretion. Nothing contained in this  
14 amendatory Act of the 95th General Assembly shall be  
15 interpreted to grant rulemaking authority under any other  
16 Illinois statute where such authority is not otherwise  
17 explicitly given. For the purposes of this amendatory Act of  
18 the 95th General Assembly, "rules" is given the meaning  
19 contained in Section 1-70 of the Illinois Administrative  
20 Procedure Act, and "agency" and "agency head" are given the  
21 meanings contained in Sections 1-20 and 1-25 of the Illinois  
22 Administrative Procedure Act to the extent that such  
23 definitions apply to agencies or agency heads under the  
24 jurisdiction of the Governor.

25       Section 99. Effective date. This Act takes effect upon

1 becoming law.".