

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Lottery Law is amended by changing
5 Sections 3, 7.12, 7.15, and 9.1 as follows:

6 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

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

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

10 b. "Board" means the Lottery Control Board created by this
11 Act.

12 c. "Department" means the Department of Revenue.

13 d. "Director" means the Director of Revenue.

14 e. "Chairman" means the Chairman of the Lottery Control
15 Board.

16 f. "Multi-state game directors" means such persons,
17 including the Superintendent, as may be designated by an
18 agreement between the Division and one or more additional
19 lotteries operated under the laws of another state or states.

20 g. "Division" means the Division of the State Lottery of
21 the Department of Revenue.

22 h. "Superintendent" means the Superintendent of the
23 Division of the State Lottery of the Department of Revenue.

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

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

14 k. "Private manager" means a person that provides
15 management services to the Lottery on behalf of the Department
16 under a management agreement.

17 l. "Profits" means total revenues accruing from the sale of
18 lottery tickets or shares and related proceeds minus (1) the
19 payment of prizes and retailer bonuses and (2) the payment of
20 costs incurred in the operation and administration of the
21 lottery, excluding costs of services directly rendered by a
22 private manager.

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

24 (20 ILCS 1605/7.12)

25 Sec. 7.12. Internet pilot program. The General Assembly

1 finds that:

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

4 (2) the Internet has become an integral part of
5 everyday life for a significant number of Illinois
6 residents not only in regards to their professional life,
7 but also in regards to personal business and communication;
8 and

9 (3) the current practices of selling lottery tickets
10 does not appeal to the new form of market participants who
11 prefer to make purchases on the internet at their own
12 convenience.

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

16 The Department shall create a pilot program that allows an
17 individual 18 years of age or older to purchase lottery tickets
18 or shares on the Internet without using a Lottery retailer with
19 on-line status, as those terms are defined by rule. The
20 Department shall restrict the sale of lottery tickets on the
21 Internet to transactions initiated and received or otherwise
22 made exclusively within the State of Illinois. The Department
23 shall adopt rules necessary for the administration of this
24 program. These rules shall include requirements for marketing
25 of the Lottery to infrequent players. The provisions of this
26 Act and the rules adopted under this Act shall apply to the

1 sale of lottery tickets or shares under this program.

2 Before beginning the pilot program, the Department of
3 Revenue must submit a request to the United States Department
4 of Justice for review of the State's plan to implement a pilot
5 program for the sale of lottery tickets on the Internet and its
6 propriety under federal law. The Department shall implement the
7 Internet pilot program only if the Department of Justice does
8 not object to the implementation of the program within a
9 reasonable period of time after its review. ~~seek a clarifying~~
10 ~~memorandum from the federal Department of Justice that it is~~
11 ~~legal for Illinois residents and non-Illinois residents to~~
12 ~~purchase and the private company to sell lottery tickets on the~~
13 ~~Internet on behalf of the State of Illinois under the federal~~
14 ~~Unlawful Internet Gambling Enforcement Act of 2006.~~

15 ~~The Department shall limit the individuals authorized to~~
16 ~~purchase lottery tickets on the Internet to individuals who are~~
17 ~~18 years of age or older and Illinois residents, unless the~~
18 ~~clarifying memorandum from the federal Department of Justice~~
19 ~~indicates that it is legal for non-Illinois residents to~~
20 ~~purchase lottery tickets on the Internet, and shall set a~~
21 ~~limitation on the monthly purchases that may be made through~~
22 ~~any one individual's lottery account.~~ The Department is
23 obligated to implement the pilot program set forth in this
24 Section and Sections 7.15 and 7.16, ~~and 7.17~~ only at such
25 time, and to such extent, that the Department of Justice does
26 not object to the implementation of the program within a

1 reasonable period of time after its review. While the Illinois
2 Lottery may only offer Lotto and Mega Millions games through
3 the pilot program, the Department shall request review from the
4 federal Department of Justice for the Illinois Lottery to sell
5 lottery tickets on the Internet on behalf of the State of
6 Illinois that are not limited to just these games ~~issues a~~
7 ~~clarifying memorandum finding such program to be permitted~~
8 ~~under federal law. Only Lotto and Mega Million games offered by~~
9 ~~the Illinois Lottery may be offered through the pilot program.~~

10 The Department shall authorize the private manager to
11 implement and administer the program pursuant to the management
12 agreement entered into under Section 9.1 and in a manner
13 consistent with the provisions of this Section. If a private
14 manager has not been selected pursuant to Section 9.1 at the
15 time the Department is obligated to implement the pilot
16 program, then the Department shall not proceed with the pilot
17 program until after the selection of the private manager, at
18 which time the Department shall authorize the private manager
19 to implement and administer the program pursuant to the
20 management agreement entered into under Section 9.1 and in a
21 manner consistent with the provisions of this Section. ~~The~~
22 ~~pilot program must be conducted pursuant to a contract with a~~
23 ~~private vendor that has the expertise, technical capability,~~
24 ~~and knowledge of the Illinois lottery marketplace to conduct~~
25 ~~the program. The Department of the Lottery must seek~~
26 ~~cooperation from existing vendors for the program.~~

1 The pilot program shall last for not less than 36 months,
2 but not more than 48 months from the date of its initial
3 operation.

4 Nothing in this Section shall be construed as prohibiting
5 the Department from implementing and operating a website portal
6 whereby individuals who are 18 years of age or older with an
7 Illinois mailing address may apply to purchase lottery tickets
8 via subscription.

9 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

10 (20 ILCS 1605/7.15)

11 Sec. 7.15. Verification ~~of age and residency~~ for Internet
12 program; security for Internet lottery accounts. The
13 Department must establish a procedure to verify that an
14 individual is 18 years of age or older and that the sale of
15 lottery tickets on the Internet is limited to transactions that
16 are initiated and received or otherwise made exclusively within
17 the State of Illinois, unless the federal Department of Justice
18 indicates that it is legal for the transactions to originate in
19 states other than Illinois. An individual must satisfy the
20 verification procedure before he or she ~~an Illinois resident~~
21 ~~before he or she~~ may establish one Internet lottery account and
22 purchase lottery tickets or shares through the Internet pilot
23 program. ~~Non-residents of Illinois shall only be allowed to~~
24 ~~participate in the pilot program if the federal Department of~~
25 ~~Justice indicates that it is legal for non residents to do so.~~

1 By rule, the Department shall establish funding procedures for
2 Internet lottery accounts and shall provide a mechanism ~~for~~
3 ~~each Internet lottery account to have a personal identification~~
4 ~~number~~ to prevent the unauthorized use of Internet lottery
5 accounts. If any participant in the pilot program violates any
6 provisions of this amendatory Act of the 96th General Assembly
7 or rule established by the Department, the participant's all
8 ~~such~~ winnings shall be forfeited. Such forfeited winnings shall
9 be deposited in the Common School Fund.

10 (Source: P.A. 96-34, eff. 7-13-09.)

11 (20 ILCS 1605/9.1)

12 Sec. 9.1. Private manager and management agreement.

13 (a) As used in this Section:

14 "Offeror" means a person or group of persons that responds
15 to a request for qualifications under this Section.

16 "Request for qualifications" means all materials and
17 documents prepared by the Department to solicit the following
18 from offerors:

19 (1) Statements of qualifications.

20 (2) Proposals to enter into a management agreement,
21 including the identity of any prospective vendor or vendors
22 that the offeror intends to initially engage to assist the
23 offeror in performing its obligations under the management
24 agreement.

25 "Final offer" means the last proposal submitted by an

1 offeror in response to the request for qualifications,
2 including the identity of any prospective vendor or vendors
3 that the offeror intends to initially engage to assist the
4 offeror in performing its obligations under the management
5 agreement.

6 "Final offeror" means the offeror ultimately selected by
7 the Governor to be the private manager for the Lottery under
8 subsection (h) of this Section.

9 (b) By September 15, 2010 ~~March 1, 2010~~, the Governor
10 ~~Department~~ shall select ~~enter into a management agreement with~~
11 a private manager for the total management of the Lottery with
12 integrated functions, such as lottery game design, supply of
13 goods and services, and advertising and as specified in this
14 Section.

15 (c) Pursuant to the terms of this subsection, the
16 Department shall endeavor to expeditiously terminate the
17 existing contracts in support of the Lottery in effect on the
18 effective date of this amendatory Act of the 96th General
19 Assembly in connection with the selection of the private
20 manager. As part of its obligation to terminate these contracts
21 and select the private manager, the Department shall establish
22 a mutually agreeable timetable to transfer the functions of
23 existing contractors to the private manager so that existing
24 Lottery operations are not materially diminished or impaired
25 during the transition. To that end, the Department shall do the
26 following:

1 (1) where such contracts contain a provision
2 authorizing termination upon notice, the Department shall
3 provide notice of termination to occur upon the mutually
4 agreed timetable for transfer of functions;

5 (2) upon the expiration of any initial term or renewal
6 term of the current Lottery contracts, the Department shall
7 not renew such contract for a term extending beyond the
8 mutually agreed timetable for transfer of functions; or

9 (3) in the event any current contract provides for
10 termination of that contract upon the implementation of a
11 contract with the private manager, the Department shall
12 perform all necessary actions to terminate the contract on
13 the date that coincides with the mutually agreed timetable
14 for transfer of functions.

15 If the contracts to support the current operation of the
16 Lottery in effect on the effective date of this amendatory Act
17 of the 96th General Assembly are not subject to termination as
18 provided for in this subsection (c), then the Department may
19 include a provision in the contract with the private manager
20 specifying a mutually agreeable methodology for incorporation.

21 (c-5) The Department shall include provisions in the
22 management agreement whereby the private manager shall, for a
23 fee, and pursuant to a contract negotiated with the Department
24 (the "Employee Use Contract"), utilize the services of current
25 Department employees to assist in the administration and
26 operation of the Lottery. The Department shall be the employer

1 of all such bargaining unit employees assigned to perform such
2 work for the private manager, and such employees shall be State
3 employees, as defined by the Personnel Code. Department
4 employees shall operate under the same employment policies,
5 rules, regulations, and procedures, as other employees of the
6 Department. In addition, neither historical representation
7 rights under the Illinois Public Labor Relations Act, nor
8 existing collective bargaining agreements, shall be disturbed
9 by the management agreement with the private manager for the
10 management of the Lottery.

11 (d) The management agreement with the private manager shall
12 include all of the following:

13 (1) A term not to exceed 10 years, including any
14 renewals.

15 (2) A provision specifying that the Department:

16 (A) shall exercise actual control over all
17 significant business decisions;

18 (A-5) has the authority to direct or countermand
19 operating decisions by the private manager at any time;

20 (B) has ready access at any time to information
21 regarding Lottery operations;

22 (C) has the right to demand and receive information
23 from the private manager concerning any aspect of the
24 Lottery operations at any time; and

25 (D) retains ownership of all trade names,
26 trademarks, and intellectual property associated with

1 the Lottery.

2 (3) A provision imposing an affirmative duty on the
3 private manager to provide the Department with material
4 information and with any information the private manager
5 reasonably believes the Department would want to know to
6 enable the Department to conduct the Lottery.

7 (4) A provision requiring the private manager to
8 provide the Department with advance notice of any operating
9 decision that bears significantly on the public interest,
10 including, but not limited to, decisions on the kinds of
11 games to be offered to the public and decisions affecting
12 the relative risk and reward of the games being offered, so
13 the Department has a reasonable opportunity to evaluate and
14 countermand that decision.

15 (5) A provision providing for compensation of the
16 private manager that may consist of, among other things, a
17 fee for services and a performance based bonus as ~~with a~~
18 ~~percentage, not to exceed 5%, of Lottery profits in~~
19 consideration for managing the Lottery, including terms
20 that may provide the private manager with an increase in
21 compensation if Lottery revenues grow by a specified
22 percentage in a given year.

23 (6) (Blank).

24 (7) A provision requiring the deposit of all Lottery
25 proceeds to be deposited into the State Lottery Fund.

26 (8) A provision requiring the private manager to locate

1 its principal office within the State.

2 (8-5) A provision encouraging that at least 20% of the
3 cost of contracts entered into for goods and services by
4 the private manager in connection with its management of
5 the Lottery, other than contracts with sales agents or
6 technical advisors, be awarded to businesses that are a
7 minority owned business, a female owned business, or a
8 business owned by a person with disability, as those terms
9 are defined in the Business Enterprise for Minorities,
10 Females, and Persons with Disabilities Act.

11 (9) A requirement that so long as the private manager
12 complies with all the conditions of the agreement under the
13 oversight of the Department, the private manager shall have
14 the following duties and obligations with respect to the
15 management of the Lottery:

16 (A) The right to use equipment and other assets
17 used in the operation of the Lottery.

18 (B) The rights and obligations under contracts
19 with retailers and vendors.

20 (C) The implementation of a comprehensive security
21 program by the private manager.

22 (D) The implementation of a comprehensive system
23 of internal audits.

24 (E) The implementation of a program by the private
25 manager to curb compulsive gambling by persons playing
26 the Lottery.

1 (F) A system for determining (i) the type of
2 Lottery games, (ii) the method of selecting winning
3 tickets, (iii) the manner of payment of prizes to
4 holders of winning tickets, (iv) the frequency of
5 drawings of winning tickets, (v) the method to be used
6 in selling tickets, (vi) a system for verifying the
7 validity of tickets claimed to be winning tickets,
8 (vii) the basis upon which retailer commissions are
9 established by the manager, and (viii) minimum
10 payouts.

11 (10) A requirement that advertising and promotion must
12 be consistent with Section 7.8a of this Act.

13 (11) A requirement that the private manager market the
14 Lottery to those residents who are new, infrequent, or
15 lapsed players of the Lottery, especially those who are
16 most likely to make regular purchases on the Internet as
17 permitted by law.

18 (12) A code of ethics for the private manager's
19 officers and employees.

20 (13) A requirement that the Department monitor and
21 oversee the private manager's practices and take action
22 that the Department considers appropriate to ensure that
23 the private manager is in compliance with the terms of the
24 management agreement, while allowing the manager, unless
25 specifically prohibited by law or the management
26 agreement, to negotiate and sign its own contracts with

1 vendors.

2 (14) A provision requiring the private manager to
3 periodically file, at least on an annual basis, appropriate
4 financial statements in a form and manner acceptable to the
5 Department.

6 (15) Cash reserves requirements.

7 (16) Procedural requirements for obtaining the prior
8 approval of the Department when a management agreement or
9 an interest in a management agreement is sold, assigned,
10 transferred, or pledged as collateral to secure financing.

11 (17) Grounds for the termination of the management
12 agreement by the Department or the private manager.

13 (18) Procedures for amendment of the agreement.

14 (19) A provision requiring the private manager to
15 engage in an open and competitive bidding process for any
16 procurement having a cost in excess of \$50,000 that is not
17 a part of the private manager's final offer. The process
18 shall favor the selection of a vendor deemed to have
19 submitted a proposal that provides the Lottery with the
20 best overall value. The process shall not be subject to the
21 provisions of the Illinois Procurement Code, unless
22 specifically required by the management agreement.

23 ~~(Blank).~~

24 (20) The transition of rights and obligations,
25 including any associated equipment or other assets used in
26 the operation of the Lottery, from the manager to any

1 successor manager of the lottery, including the
2 Department, following the termination of or foreclosure
3 upon the management agreement.

4 (21) Right of use of copyrights, trademarks, and
5 service marks held by the Department in the name of the
6 State. The agreement must provide that any use of them by
7 the manager shall only be for the purpose of fulfilling its
8 obligations under the management agreement during the term
9 of the agreement.

10 (e) Notwithstanding any other law to the contrary, the
11 Department shall select a private manager through a competitive
12 request for qualifications process consistent with Section
13 20-35 of the Illinois Procurement Code, which shall take into
14 account:

15 (1) the offeror's ability to market the Lottery to
16 those residents who are new, infrequent, or lapsed players
17 of the Lottery, especially those who are most likely to
18 make regular purchases on the Internet;

19 (2) the offeror's ability to address the State's
20 concern with the social effects of gambling on those who
21 can least afford to do so;

22 (3) the offeror's ability to provide the most
23 successful management of the Lottery for the benefit of the
24 people of the State based on current and past business
25 practices or plans of the offeror; and

26 (4) the offeror's poor or inadequate past performance

1 in servicing, equipping, operating or managing a lottery on
2 behalf of Illinois, another State or foreign government and
3 attracting persons who are not currently regular players of
4 a lottery.

5 (f) The Department may retain the services of an advisor or
6 advisors with significant experience in financial services or
7 the management, operation, and procurement of goods, services,
8 and equipment for a government-run lottery to assist in the
9 preparation of the terms of the request for qualifications and
10 selection of the private manager. Any prospective advisor
11 seeking to provide services under this subsection (f) shall
12 disclose any material business or financial relationship
13 during the past 3 years with any potential offeror, or with a
14 contractor or subcontractor presently providing goods,
15 services, or equipment to the Department to support the
16 Lottery. The Department shall evaluate the material business or
17 financial relationship of each prospective advisor. The
18 Department shall not select any prospective advisor with a
19 substantial business or financial relationship that the
20 Department deems to impair the objectivity of the services to
21 be provided by the prospective advisor. During the course of
22 the advisor's engagement by the Department, and for a period of
23 one year thereafter, the advisor shall not enter into any
24 business or financial relationship with any offeror or any
25 vendor identified to assist an offeror in performing its
26 obligations under the management agreement. Any advisor

1 retained by the Department shall be disqualified from being an
2 offeror. ~~No advisor or advisors retained may have any prior or~~
3 ~~present affiliation with any potential offeror, or with a~~
4 ~~contractor or subcontractor presently providing goods,~~
5 ~~services or equipment to the Department to support the Lottery.~~

6 The Department shall not include terms in the request for
7 qualifications that provide a material ~~provides an~~ advantage
8 whether directly or indirectly to any potential offeror, or any
9 contractor or subcontractor presently providing goods,
10 services, or equipment to the Department to support the
11 Lottery, including terms contained in previous ~~a contractor or~~
12 ~~subcontractor's~~ responses to requests for proposals or
13 qualifications submitted to Illinois, another State or foreign
14 government when those terms are uniquely associated with a
15 particular potential offeror, contractor, or subcontractor.

16 The request for proposals offered by the Department on December
17 22, 2008 as "LOT08GAMESYS" and reference number "22016176" is
18 declared void.

19 (g) The Department shall select at least 2 offerors as
20 finalists to potentially serve as the private manager no later
21 than August 9, 2010 ~~February 1, 2010~~. Upon making preliminary
22 selections, the Department shall schedule a public hearing on
23 the finalists' proposals and provide public notice of the
24 hearing at least 7 calendar days before the hearing. The notice
25 must include all of the following:

- 26 (1) The date, time, and place of the hearing.

1 (2) The subject matter of the hearing.

2 (3) A brief description of the management agreement to
3 be awarded.

4 (4) The identity of the offerors that have been
5 selected as finalists to serve as the private manager.

6 (5) The address and telephone number of the Department.

7 (h) At the public hearing, the Department shall (i) provide
8 sufficient time for each finalist to present and explain its
9 proposal to the Department and the Governor or the Governor's
10 designee, including an opportunity to respond to questions
11 posed by the Department, Governor, or designee and (ii) allow
12 the public and non-selected offerors to comment on the
13 presentations. The Governor or a designee shall attend the
14 public hearing. After the public hearing, the Department shall
15 have 14 calendar days to recommend to the Governor whether a
16 management agreement should be entered into with a particular
17 finalist. After reviewing the Department's recommendation, the
18 Governor may accept or reject the Department's recommendation,
19 and shall select a final offeror as the private manager by
20 publication of a notice in the Illinois Procurement Bulletin on
21 or before September 15, 2010. The Governor shall include in the
22 notice a detailed explanation and the reasons why the final
23 offeror is superior to other offerors and will provide
24 management services in a manner that best achieves the
25 objectives of this Section. ~~The Governor shall designate a~~
26 ~~final offeror as the private manager with sufficient time for~~

1 ~~the Department to enter into a management agreement on or~~
2 ~~before March 1, 2010.~~ The Governor shall also sign the
3 management agreement with the private manager.

4 (i) Any action to contest the private manager selected by
5 the Governor ~~validity of a management agreement entered into~~
6 under this Section must be brought within 7 ~~14~~ calendar days
7 after the publication of the notice of the designation of the
8 private manager as provided in subsection (h) of this Section.

9 (j) The Lottery shall remain, for so long as a private
10 manager manages the Lottery in accordance with provisions of
11 this Act, a Lottery conducted by the State, and the State shall
12 not be authorized to sell or transfer the Lottery to a third
13 party.

14 (k) Any tangible personal property used exclusively in
15 connection with the lottery that is owned by the Department and
16 leased to the private manager shall be owned by the Department
17 in the name of the State and shall be considered to be public
18 property devoted to an essential public and governmental
19 function.

20 (l) The Department may exercise any of its powers under
21 this Section or any other law as necessary or desirable for the
22 execution of the Department's powers under this Section.

23 (m) Neither this Section nor any management agreement
24 entered into under this Section prohibits the General Assembly
25 from authorizing forms of gambling that are not in direct
26 competition with the Lottery.

1 (n) The private manager shall be subject to a complete
2 investigation in the third, seventh, and tenth years of the
3 agreement (if the agreement is for a 10-year term) by the
4 Department in cooperation with the Auditor General to determine
5 whether the private manager has complied with this Section and
6 the management agreement. The private manager shall bear the
7 cost of an investigation or reinvestigation of the private
8 manager under this subsection.

9 (o) The powers conferred by this Section are in addition
10 and supplemental to the powers conferred by any other law. If
11 any other law or rule is inconsistent with this Section,
12 including, but not limited to, provisions of the Illinois
13 Procurement Code, then this Section controls as to any
14 management agreement entered into under this Section. This
15 Section and any rules adopted under this Section contain full
16 and complete authority for a management agreement between the
17 Department and a private manager. No law, procedure,
18 proceeding, publication, notice, consent, approval, order, or
19 act by the Department or any other officer, Department, agency,
20 or instrumentality of the State or any political subdivision is
21 required for the Department to enter into a management
22 agreement under this Section. This Section contains full and
23 complete authority for the Department to approve any contracts
24 ~~subcontracts~~ entered into by a private manager with a vendor
25 providing goods, services, or both goods and services to the
26 private manager under the terms of the a management agreement.

1 Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and
2 21.8, the Department shall distribute all proceeds of lottery
3 tickets and shares sold in the following priority and manner:

4 (1) The payment of prizes and retailer bonuses.

5 (2) The payment of costs incurred in the operation and
6 administration of the Lottery, including the payment of
7 sums due to the private manager under the management
8 agreement with the Department and payment of sums due to
9 the private vendor for lottery tickets and shares sold on
10 the Internet via the pilot program as compensation under
11 its contract with the Department.

12 (3) On the last day of each month or as soon thereafter
13 as possible, the State Comptroller shall direct and the
14 State Treasurer shall transfer from the Lottery Fund to the
15 Common School Fund an amount that is equal to the proceeds
16 transferred in the corresponding month of fiscal year 2009,
17 as adjusted for inflation, to the Common School Fund.

18 (4) On or before the last day of each fiscal year,
19 deposit any remaining proceeds, subject to payments under
20 items (1), (2), and (3) into the Capital Projects Fund each
21 fiscal year.

22 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

23 Section 10. The Illinois Procurement Code is amended by
24 changing Section 1-10 as follows:

1 (30 ILCS 500/1-10)

2 Sec. 1-10. Application.

3 (a) This Code applies only to procurements for which
4 contractors were first solicited on or after July 1, 1998. This
5 Code shall not be construed to affect or impair any contract,
6 or any provision of a contract, entered into based on a
7 solicitation prior to the implementation date of this Code as
8 described in Article 99, including but not limited to any
9 covenant entered into with respect to any revenue bonds or
10 similar instruments. All procurements for which contracts are
11 solicited between the effective date of Articles 50 and 99 and
12 July 1, 1998 shall be substantially in accordance with this
13 Code and its intent.

14 (b) This Code shall apply regardless of the source of the
15 funds with which the contracts are paid, including federal
16 assistance moneys. This Code shall not apply to:

17 (1) Contracts between the State and its political
18 subdivisions or other governments, or between State
19 governmental bodies except as specifically provided in
20 this Code.

21 (2) Grants, except for the filing requirements of
22 Section 20-80.

23 (3) Purchase of care.

24 (4) Hiring of an individual as employee and not as an
25 independent contractor, whether pursuant to an employment
26 code or policy or by contract directly with that

1 individual.

2 (5) Collective bargaining contracts.

3 (6) Purchase of real estate, except that notice of this
4 type of contract with a value of more than \$25,000 must be
5 published in the Procurement Bulletin within 7 days after
6 the deed is recorded in the county of jurisdiction. The
7 notice shall identify the real estate purchased, the names
8 of all parties to the contract, the value of the contract,
9 and the effective date of the contract.

10 (7) Contracts necessary to prepare for anticipated
11 litigation, enforcement actions, or investigations,
12 provided that the chief legal counsel to the Governor shall
13 give his or her prior approval when the procuring agency is
14 one subject to the jurisdiction of the Governor, and
15 provided that the chief legal counsel of any other
16 procuring entity subject to this Code shall give his or her
17 prior approval when the procuring entity is not one subject
18 to the jurisdiction of the Governor.

19 (8) Contracts for services to Northern Illinois
20 University by a person, acting as an independent
21 contractor, who is qualified by education, experience, and
22 technical ability and is selected by negotiation for the
23 purpose of providing non-credit educational service
24 activities or products by means of specialized programs
25 offered by the university.

26 (9) Procurement expenditures by the Illinois

1 Conservation Foundation when only private funds are used.

2 (c) This Code does not apply to the electric power
3 procurement process provided for under Section 1-75 of the
4 Illinois Power Agency Act and Section 16-111.5 of the Public
5 Utilities Act.

6 (d) Except for Section 20-160 and Article 50 of this Code,
7 and as expressly required by Section 9.1 of the Illinois
8 Lottery Law, the provisions of this Code do not apply to the
9 procurement process provided for under Section 9.1 of the
10 Illinois Lottery Law.

11 (Source: P.A. 95-481, eff. 8-28-07; 95-615, eff. 9-11-07;
12 95-876, eff. 8-21-08.)

13 (20 ILCS 1605/7.17 rep.)

14 Section 15. The Illinois Lottery Law is amended by
15 repealing Section 7.17.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.