

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 2, 7.2, 9, 19, 20, and 20.1 and by adding Section 20.2  
6 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, 21.7, and  
13 21.8.

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; 95-876, eff. 8-21-08.)

17 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

18 Sec. 7.2. The rules and regulations of the Department may  
19 include, but shall not be limited to, the following:

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

21 (2) The price, or prices, of tickets or shares in the  
22 lottery;

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

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

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

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

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

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

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

15          (10) The apportionment of the total revenues accruing from  
16 the sale of lottery tickets or shares and from all other  
17 sources among (i) the payment of prizes to the holders of  
18 winning tickets or shares, (ii) the payment of costs incurred  
19 in the operation and administration of the lottery, including  
20 the expenses of the Department and the costs resulting from any  
21 contract or contracts entered into for promotional,  
22 advertising or operational services or for the purchase or  
23 lease of lottery equipment and materials, and (iii) for monthly  
24 transfers to the Lottery Supports Schools Fund ~~Common School~~  
25 ~~Fund~~. The net revenues accruing from the sale of lottery  
26 tickets shall be determined by deducting from total revenues

1 the payments required by paragraphs (i) and (ii) of this  
2 subsection.

3 (11) Such other matters necessary or desirable for the  
4 efficient and economical operation and administration of the  
5 lottery and for the convenience of the purchasers of tickets or  
6 shares and the holders of winning tickets or shares.

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

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

11 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

12 Sec. 9. The Superintendent, as administrative head of the  
13 Division, shall direct and supervise all its administrative and  
14 technical activities and shall report to the Director. In  
15 addition to the duties imposed upon him elsewhere in this Act,  
16 it shall be the Superintendent's duty:

17 a. To supervise and administer the operation of the lottery  
18 in accordance with the provisions of this Act or such rules and  
19 regulations of the Department adopted thereunder.

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

22 c. To employ and direct such personnel in accord with the  
23 Personnel Code, as may be necessary to carry out the purposes  
24 of this Act. The Superintendent may, subject to the approval of  
25 the Director, use the services, personnel, or facilities of the

1 Department. In addition, the Superintendent may by agreement  
2 secure such services as he or she may deem necessary from any  
3 other department, agency, or unit of the State government, and  
4 may employ and compensate such consultants and technical  
5 assistants as may be required and is otherwise permitted by  
6 law.

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

17 e. To suspend or revoke any license issued pursuant to this  
18 Act or the rules and regulations promulgated by the Department  
19 thereunder.

20 f. To confer regularly as necessary or desirable and not  
21 less than once every month with the Lottery Control Board on  
22 the operation and administration of the Lottery; to make  
23 available for inspection by the Board or any member of the  
24 Board, upon request, all books, records, files, and other  
25 information and documents of his office; to advise the Board  
26 and recommend such rules and regulations and such other matters

1 as he deems necessary and advisable to improve the operation  
2 and administration of the lottery.

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

12 h. To enter into an agreement or agreements with the  
13 management of state lotteries operated pursuant to the laws of  
14 other states for the purpose of creating and operating a  
15 multi-state lottery game wherein a separate and distinct prize  
16 pool would be combined to award larger prizes to the public  
17 than could be offered by the several state lotteries,  
18 individually. No tickets or shares offered in connection with a  
19 multi-state lottery game shall be sold within the State of  
20 Illinois, except those offered by and through the Department.  
21 No such agreement shall purport to pledge the full faith and  
22 credit of the State of Illinois, nor shall the Department  
23 expend State funds on a contractual basis in connection with  
24 any such game unless such expenditures are expressly authorized  
25 by the General Assembly, provided, however, that in the event  
26 of error or omission by the Illinois State Lottery in the

1 conduct of the game, as determined by the multi-state game  
2 directors, the Department shall be authorized to pay a prize  
3 winner or winners the lesser of a disputed prize or \$1,000,000,  
4 any such payment to be made solely from funds appropriated for  
5 game prize purposes. The Department shall be authorized to  
6 share in the ordinary operating expenses of any such  
7 multi-state lottery game, from funds appropriated by the  
8 General Assembly, and in the event the multi-state game control  
9 offices are physically located within the State of Illinois,  
10 the Department is authorized to advance start-up operating  
11 costs not to exceed \$150,000, subject to proportionate  
12 reimbursement of such costs by the other participating state  
13 lotteries. The Department shall be authorized to share  
14 proportionately in the costs of establishing a liability  
15 reserve fund from funds appropriated by the General Assembly.  
16 The Department is authorized to transfer prize award funds  
17 attributable to Illinois sales of multi-state lottery game  
18 tickets to the multi-state control office, or its designated  
19 depository, for deposit to such game pool account or accounts  
20 as may be established by the multi-state game directors, the  
21 records of which account or accounts shall be available at all  
22 times for inspection in an audit by the Auditor General of  
23 Illinois and any other auditors pursuant to the laws of the  
24 State of Illinois. No multi-state game prize awarded to a  
25 nonresident of Illinois, with respect to a ticket or share  
26 purchased in a state other than the State of Illinois, shall be

1 deemed to be a prize awarded under this Act for the purpose of  
2 taxation under the Illinois Income Tax Act. All of the net  
3 revenues accruing from the sale of multi-state lottery tickets  
4 or shares shall be transferred into the Lottery Supports  
5 Schools Fund ~~Common School Fund~~ pursuant to Section 7.2. The  
6 Department shall promulgate such rules as may be appropriate to  
7 implement the provisions of this Section.

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

17 j. To report monthly to the State Treasurer and the Lottery  
18 Control Board a full and complete statement of lottery  
19 revenues, prize disbursements and other expenses for each month  
20 and the amounts to be transferred to the Common School Fund  
21 pursuant to Section 7.2 or such other funds as are otherwise  
22 authorized by Section 21.2 of this Act, and to make an annual  
23 report, which shall include a full and complete statement of  
24 lottery revenues, prize disbursements and other expenses, to  
25 the Governor and the Board. All reports required by this  
26 subsection shall be public and copies of all such reports shall

1 be sent to the Speaker of the House, the President of the  
2 Senate, and the minority leaders of both houses.

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

4 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

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

20 If no claim is made for the money within the established  
21 claim period, the prize may be included in the prize pool of  
22 such special drawing or drawings as the Division may, from time  
23 to time, designate. Unclaimed multi-state game prize money may  
24 be included in the multi-state prize pool for such special  
25 drawing or drawings as the multi-state game directors may, from



1 time to time, designate. Any bonuses offered by the Department  
2 to sales agents who sell winning tickets or shares shall be  
3 payable to such agents regardless of whether or not the prize  
4 money on the ticket or share is claimed, provided that the  
5 agent can be identified as the vendor of the winning ticket or  
6 share, and that the winning ticket or share was sold on or  
7 after January 1, 1984. All unclaimed prize money not included  
8 in the prize pool of a special drawing shall be transferred to  
9 the Lottery Supports Schools Fund ~~Common School Fund~~.

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

11 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

12 Sec. 20. State Lottery Fund.

13 (a) There is created in the State Treasury a special fund  
14 to be known as the "State Lottery Fund". Such fund shall  
15 consist of all revenues received from (1) the sale of lottery  
16 tickets or shares, (net of commissions, fees representing those  
17 expenses that are directly proportionate to the sale of tickets  
18 or shares at the agent location, and prizes of less than \$600  
19 which have been validly paid at the agent level), (2)  
20 application fees, and (3) all other sources including moneys  
21 credited or transferred thereto from any other fund or source  
22 pursuant to law. Interest earnings of the State Lottery Fund  
23 shall be credited to the Lottery Supports Schools Fund ~~Common~~  
24 ~~School Fund~~.

25 (b) The receipt and distribution of moneys under Section

1 21.5 of this Act shall be in accordance with Section 21.5.

2 (c) The receipt and distribution of moneys under Section  
3 21.6 of this Act shall be in accordance with Section 21.6.

4 (d) The receipt and distribution of moneys under Section  
5 21.7 of this Act shall be in accordance with Section 21.7.

6 (e) The receipt and distribution of moneys under Section  
7 21.8 of this Act shall be in accordance with Section 21.8.

8 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;  
9 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.  
10 10-11-07; 95-876, eff. 8-21-08.)

11 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

12 Sec. 20.1. Department account.

13 (a) The Department is authorized to pay validated prizes up  
14 to \$25,000 from funds held by the Department in an account  
15 separate and apart from all public moneys of the State. Moneys  
16 in this account shall be administered by the Director  
17 exclusively for the purposes of issuing payments to prize  
18 winners authorized by this Section. Moneys in this account  
19 shall be deposited by the Department into the Public  
20 Treasurers' Investment Pool established under Section 17 of the  
21 State Treasurer Act. The Department shall submit vouchers from  
22 time to time as needed for reimbursement of this account from  
23 moneys appropriated for prizes from the State Lottery Fund.  
24 Investment income earned from this account shall be deposited  
25 monthly by the Department into the Lottery Supports Schools

1 ~~Fund Common School Fund~~. The Department shall file quarterly  
2 fiscal reports specifying the activity of this account as  
3 required under Section 16 of the State Comptroller Act, and  
4 shall file quarterly with the General Assembly, the Auditor  
5 General, the Comptroller, and the State Treasurer a report  
6 indicating the costs associated with this activity.

7 (b) The Department is authorized to enter into an  
8 interagency agreement with the Office of the Comptroller or any  
9 other State agency to establish responsibilities, duties, and  
10 procedures for complying with the Comptroller's Offset System  
11 under Section 10.05 of the State Comptroller Act. All federal  
12 and State tax reporting and withholding requirements relating  
13 to prize winners under this Section shall be the responsibility  
14 of the Department. Moneys from this account may not be used to  
15 pay amounts to deferred prize winners. Moneys may not be  
16 transferred from the State Lottery Fund to this account for  
17 payment of prizes under this Section until procedures are  
18 implemented to comply with the Comptroller's Offset System and  
19 sufficient internal controls are in place to validate prizes.

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

21 (20 ILCS 1605/20.2 new)

22 Sec. 20.2. Lottery Supports Schools Fund. There is created  
23 a Fund to be known as the Lottery Supports Schools Fund, which  
24 is a non-appropriated trust fund held outside of the State  
25 treasury. The Fund shall consist of moneys paid into it by the

1 Division as provided in this Law. The Division shall certify  
2 each month to the State Board of Education the proportion of  
3 lottery sales in each school district in relation to statewide  
4 lottery sales. The moneys in the Lottery Supports Schools Fund  
5 must be distributed monthly by the State Board of Education to  
6 each school district based upon that school district's portion  
7 of statewide lottery sales.

8 Section 10. The School Code is amended by adding Section  
9 2-3.148 as follows:

10 (105 ILCS 5/2-3.148 new)

11 Sec. 2-3.148. Distributions from the Lottery Supports  
12 Schools Fund. The State Board of Education shall make  
13 distributions from the Lottery Supports Schools Fund as  
14 provided in Section 20.2 of the Illinois Lottery Law; however,  
15 the State Board of Education shall not take into account these  
16 distributions when computing State aid under Section 18-8.05 of  
17 this Code.

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