



Rep. Barbara Flynn Currie

Filed: 5/30/2011

09700SB0270ham003

LRB097 04078 AMC 56635 a

1 AMENDMENT TO SENATE BILL 270

2 AMENDMENT NO. _____. Amend Senate Bill 270, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Civil Administrative Code of Illinois is
6 amended by changing Sections 5-20 and 5-175 as follows:

7 (20 ILCS 5/5-20) (was 20 ILCS 5/4)

8 Sec. 5-20. Heads of departments. Each department shall have
9 an officer as its head who shall be known as director or
10 secretary and who shall, subject to the provisions of the Civil
11 Administrative Code of Illinois, execute the powers and
12 discharge the duties vested by law in his or her respective
13 department.

14 The following officers are hereby created:

15 Director of Aging, for the Department on Aging.

16 Director of Agriculture, for the Department of

1 Agriculture.

2 Director of Central Management Services, for the
3 Department of Central Management Services.

4 Director of Children and Family Services, for the
5 Department of Children and Family Services.

6 Director of Commerce and Economic Opportunity, for the
7 Department of Commerce and Economic Opportunity.

8 Director of Corrections, for the Department of
9 Corrections.

10 Director of the Illinois Emergency Management Agency, for
11 the Illinois Emergency Management Agency.

12 Director of Employment Security, for the Department of
13 Employment Security.

14 Secretary of Financial and Professional Regulation, for
15 the Department of Financial and Professional Regulation.

16 Director of Healthcare and Family Services, for the
17 Department of Healthcare and Family Services.

18 Director of Human Rights, for the Department of Human
19 Rights.

20 Secretary of Human Services, for the Department of Human
21 Services.

22 Director of the Illinois Power Agency, for the Illinois
23 Power Agency.

24 Director of Juvenile Justice, for the Department of
25 Juvenile Justice.

26 Director of Labor, for the Department of Labor.

1 ~~Director of the Lottery, for the Department of the Lottery.~~

2 Director of Natural Resources, for the Department of
3 Natural Resources.

4 Director of Public Health, for the Department of Public
5 Health.

6 Director of Revenue, for the Department of Revenue.

7 Director of State Police, for the Department of State
8 Police.

9 Secretary of Transportation, for the Department of
10 Transportation.

11 Director of Veterans' Affairs, for the Department of
12 Veterans' Affairs.

13 (Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07;
14 95-777, eff. 8-4-08; 96-328, eff. 8-11-09.)

15 (20 ILCS 5/5-175) (was 20 ILCS 5/5.12)

16 Sec. 5-175. In the Department of Revenue. Assistant
17 Director of Revenue, ~~and State Lottery Superintendent.~~

18 (Source: P.A. 91-239, eff. 1-1-00.)

19 Section 10. The Illinois Lottery Law is amended by changing
20 Sections 3, 4, 5, 6, 7.1, 7.6, 7.11, 7.12, 9, 9.1, 10, 10.1,
21 10.1a, 10.2, 10.6, 10.7, 10.8, 12, 13, 14, 14.3, 19, 20.1, 21,
22 21.5, 21.6, 21.7, 21.8, 26, and 27 and by adding Section 29 as
23 follows:

1 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

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

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

5 b. "Board" means the Lottery Control Board created by this
6 Act.

7 c. "Department" means the Department of the Lottery
8 Revenue.

9 d. (Blank). ~~"Director" means the Director of Revenue.~~

10 e. "Chairman" means the Chairman of the Lottery Control
11 Board.

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

17 g. (Blank). ~~"Division" means the Division of the State~~
18 ~~Lottery of the Department of Revenue.~~

19 h. "Superintendent" means the Superintendent of the
20 Department ~~Division~~ of the ~~State Lottery of the Department of~~
21 Revenue.

22 i. "Management agreement" means an agreement or contract
23 between the Department on behalf of the State with a private
24 manager, as an independent contractor, whereby the private
25 manager provides management services to the Lottery in exchange
26 for compensation that may consist of, among other things, a fee

1 for services and a performance-based bonus of no more than 5%
2 of Lottery profits so long as the Department continues to
3 exercise actual control over all significant business
4 decisions made by the private manager as set forth in Section
5 9.1.

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

9 k. "Private manager" means a person that provides
10 management services to the Lottery on behalf of the Department
11 under a management agreement.

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

18 m. "Chief Procurement Officer" means the Chief Procurement
19 Officer provided for under paragraph (4) of subsection (a) of
20 Section 10-20 of the Illinois Procurement Code.

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
22 eff. 12-23-09.)

23 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

24 Sec. 4. The Department of the Lottery is established to
25 implement and regulate the State Lottery in the manner provided

1 in this Act.

2 ~~In accordance with Executive Order No. 9 (2003), the~~
3 ~~Division of the State Lottery is established within the~~
4 ~~Department of Revenue. Unless otherwise provided by law, the~~
5 ~~Division of the State Lottery shall be subject to and governed~~
6 ~~by all of the laws and rules applicable to the Department.~~

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

8 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

9 Sec. 5. (a) The Department ~~Division~~ shall be under the
10 supervision and direction of a Superintendent, who shall be a
11 person qualified by training and experience to perform the
12 duties required by this Act. The Superintendent shall be
13 appointed by the Governor, by and with the advice and consent
14 of the Senate. The term of office of the Superintendent shall
15 expire on the third Monday of January in odd numbered years
16 provided that he or she shall hold office until a successor is
17 appointed and qualified. The annual salary of the
18 Superintendent is \$142,000.

19 Any vacancy occurring in the office of the Superintendent
20 shall be filled in the same manner as the original appointment.
21 In case of a vacancy during the recess of the Senate, the
22 Governor shall make a temporary appointment until the next
23 meeting of the Senate, when the Governor shall nominate some
24 person to fill the office, and any person so nominated who is
25 confirmed by the Senate shall hold office during the remainder

1 of the term and until his or her successor is appointed and
2 qualified.

3 During the absence or inability to act of the
4 Superintendent, or in the case of a vacancy in the office of
5 Superintendent until a successor is appointed and qualified,
6 the Governor may designate some person as Acting Superintendent
7 of the Lottery to execute the powers and discharge the duties
8 vested by law in that office. A person who is designated as an
9 Acting Superintendent shall not continue in office for more
10 than 60 calendar days unless the Governor files a message with
11 the Secretary of the Senate nominating that person to fill the
12 office. After 60 calendar days, the office is considered vacant
13 and shall be filled only under this Section. No person who has
14 been appointed by the Governor to serve as Acting
15 Superintendent shall, except at the Senate's request, be
16 designated again as an Acting Superintendent at the same
17 session of that Senate, subject to the provisions of this
18 Section. A person appointed as an Acting Superintendent is not
19 required to meet the requirements of paragraph (1) of
20 subsection (b) of this Section. In no case may the Governor
21 designate a person to serve as Acting Superintendent if that
22 person has prior to the effective date of this amendatory Act
23 of the 97th General Assembly exercised any of the duties and
24 functions of the office of Superintendent without having been
25 nominated by the Governor to serve as Superintendent.

26 (b) The Superintendent shall devote his or her entire time

1 and attention to the duties of the office and shall not be
2 engaged in any other profession or occupation. The
3 Superintendent shall receive such salary as shall be provided
4 by law.

5 The Superintendent shall:

6 (1) be qualified by training and experience to direct a
7 lottery, including, at a minimum, 5 years of senior
8 executive-level experience in the successful advertising,
9 marketing, and selling of consumer products, 4 years of
10 successful experience directing a lottery on behalf of a
11 governmental entity, or 5 years of successful senior-level
12 management experience at a lottery on behalf of a
13 governmental entity;

14 (2) have significant and meaningful management and
15 regulatory experience; and

16 (3) have a good reputation, particularly as a person of
17 honesty, independence, and integrity.

18 The Superintendent shall not during his or her term of
19 appointment: become a candidate for any elective office; hold
20 any other elected or appointed public office; be actively
21 involved in the affairs of any political party or political
22 organization; advocate for the appointment of another person to
23 an appointed or elected office or position; or actively
24 participate in any campaign for any elective office. The
25 Superintendent may be appointed to serve on a governmental
26 advisory or board study commission or as otherwise expressly

1 authorized by law.

2 (c) No person shall perform the duties and functions of the
3 Superintendent, or otherwise exercise the authority of the
4 Superintendent, unless the same shall have been appointed by
5 the Governor pursuant to this Section.

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

7 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

8 Sec. 6. There is hereby created an independent board to be
9 known as the Lottery Control Board, consisting of 5 members,
10 all of whom shall be citizens of the United States and
11 residents of this State and shall be appointed by the Governor
12 with the advice and consent of the Senate. No more than 3 of
13 the 5 members shall be members of the same political party. A
14 chairman of the Board shall be chosen annually from the
15 membership of the Board by a majority of the members of the
16 Board at the first meeting of the Board each fiscal year.

17 Initial members shall be appointed to the Board by the
18 Governor as follows: one member to serve until July 1, 1974,
19 and until his successor is appointed and qualified; 2 members
20 to serve until July 1, 1975, and until their successors are
21 appointed and qualified; 2 members to serve until July 1, 1976,
22 and until their successors are appointed and qualified. As
23 terms of members so appointed expire, their successors shall be
24 appointed for terms to expire the first day in July 3 years
25 thereafter, and until their successors are appointed and

1 qualified.

2 Any vacancy in the Board occurring for any reason other
3 than expiration of term, shall be filled for the unexpired term
4 in the same manner as the original appointment.

5 Any member of the Board may be removed by the Governor for
6 neglect of duty, misfeasance, malfeasance, or nonfeasance in
7 office.

8 Board members shall receive as compensation for their
9 services \$100 for each day they are in attendance at any
10 official board meeting, but in no event shall members receive
11 more than \$1,200 per year. They shall receive no other
12 compensation for their services, but shall be reimbursed for
13 necessary traveling and other reasonable expenses incurred in
14 the performance of their official duties. Each member shall
15 make a full financial disclosure upon appointment.

16 The Board shall hold at least one meeting each quarter of
17 the fiscal year. In addition, special meetings may be called by
18 the Chairman, any 2 Board members, or the Superintendent
19 ~~Director~~ of the Department, upon delivery of 72 hours' written
20 notice to the office of each member. All Board meetings shall
21 be open to the public pursuant to the Open Meetings Act.

22 Three members of the Board shall constitute a quorum, and 3
23 votes shall be required for any final determination by the
24 Board. The Board shall keep a complete and accurate record of
25 all its meetings.

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

1 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

2 Sec. 7.1. The Department shall promulgate such rules and
3 regulations governing the establishment and operation of a
4 State lottery as it deems necessary to carry out the purposes
5 of this Act. Such rules and regulations shall be subject to the
6 provisions of The Illinois Administrative Procedure Act. The
7 Department ~~Division~~ shall issue written game rules, play
8 instructions, directives, operations manuals, brochures, or
9 any other publications necessary to conduct specific games, as
10 authorized by rule by the Department. Any written game rules,
11 play instructions, directives, operations manuals, brochures,
12 or other game publications issued by the Department ~~Division~~
13 that relate to a specific lottery game shall be maintained as a
14 public record in the Department's ~~Division's~~ principal office,
15 and made available for public inspection and copying but shall
16 be exempt from the rulemaking procedures of the Illinois
17 Administrative Procedure Act. However, when such written
18 materials contain any policy of general applicability, the
19 Department ~~Division~~ shall formulate and adopt such policy as a
20 rule in accordance with the provisions of the Illinois
21 Administrative Procedure Act. In addition, the Department
22 ~~Division~~ shall publish each January in the Illinois Register a
23 list of all game-specific rules, play instructions,
24 directives, operations manuals, brochures, or other
25 game-specific publications issued by the Department ~~Division~~

1 during the previous year and instructions concerning how the
2 public may obtain copies of these materials from the Department
3 ~~Division~~.

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

5 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

6 Sec. 7.6. The Board shall advise and make recommendations
7 to the Superintendent ~~or the Director~~ regarding the functions
8 and operations of the State Lottery. A copy of all such
9 recommendations shall also be forwarded to the Governor, the
10 Attorney General, the Speaker of the House, the President of
11 the Senate and the minority leaders of both houses.

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

13 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

14 Sec. 7.11. The Department ~~Division~~ may establish and
15 collect nominal charges for promotional products ("premiums")
16 and other promotional materials produced or acquired by the
17 Department ~~Division~~ as part of its advertising and promotion
18 activities. Such premiums or other promotional materials may be
19 sold to individuals, government agencies and not-for-profit
20 organizations, but not to for-profit enterprises for the
21 purpose of resale. Other State agencies shall be charged no
22 more than the cost to the Department ~~Division~~ of the premium or
23 promotional material. All proceeds from the sale of premiums or
24 promotional materials shall be deposited in the State Lottery

1 Fund in the State Treasury.

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

3 (20 ILCS 1605/7.12)

4 Sec. 7.12. Internet pilot program. The General Assembly
5 finds that:

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

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

13 (3) the current practices of selling lottery tickets
14 does not appeal to the new form of market participants who
15 prefer to make purchases on the internet at their own
16 convenience.

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

20 The Department shall create a pilot program that allows an
21 individual 18 years of age or older to purchase lottery tickets
22 or shares on the Internet without using a Lottery retailer with
23 on-line status, as those terms are defined by rule. The
24 Department shall restrict the sale of lottery tickets on the
25 Internet to transactions initiated and received or otherwise

1 made exclusively within the State of Illinois. The Department
2 shall adopt rules necessary for the administration of this
3 program. These rules shall include requirements for marketing
4 of the Lottery to infrequent players. The provisions of this
5 Act and the rules adopted under this Act shall apply to the
6 sale of lottery tickets or shares under this program.

7 Before beginning the pilot program, the Department of the
8 Lottery Revenue must submit a request to the United States
9 Department of Justice for review of the State's plan to
10 implement a pilot program for the sale of lottery tickets on
11 the Internet and its propriety under federal law. The
12 Department shall implement the Internet pilot program only if
13 the Department of Justice does not object to the implementation
14 of the program within a reasonable period of time after its
15 review.

16 The Department is obligated to implement the pilot program
17 set forth in this Section and Sections 7.15 and 7.16 only at
18 such time, and to such extent, that the Department of Justice
19 does not object to the implementation of the program within a
20 reasonable period of time after its review. While the Illinois
21 Lottery may only offer Lotto and Mega Millions games through
22 the pilot program, the Department shall request review from the
23 federal Department of Justice for the Illinois Lottery to sell
24 lottery tickets on the Internet on behalf of the State of
25 Illinois that are not limited to just these games.

26 The Department shall authorize the private manager to

1 implement and administer the program pursuant to the management
2 agreement entered into under Section 9.1 and in a manner
3 consistent with the provisions of this Section. If a private
4 manager has not been selected pursuant to Section 9.1 at the
5 time the Department is obligated to implement the pilot
6 program, then the Department shall not proceed with the pilot
7 program until after the selection of the private manager, at
8 which time the Department shall authorize the private manager
9 to implement and administer the program pursuant to the
10 management agreement entered into under Section 9.1 and in a
11 manner consistent with the provisions of this Section.

12 The pilot program shall last for not less than 36 months,
13 but not more than 48 months from the date of its initial
14 operation.

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

20 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
21 eff. 12-23-09.)

22 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

23 Sec. 9. The Superintendent, as administrative head of the
24 Department ~~Division~~, shall direct and supervise all its
25 administrative and technical activities ~~and shall report to the~~

1 ~~Director~~. In addition to the duties imposed upon him elsewhere
2 in this Act, it shall be the Superintendent's duty:

3 a. To supervise and administer the operation of the lottery
4 in accordance with the provisions of this Act or such rules and
5 regulations of the Department adopted thereunder.

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

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

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

1 rules and regulations of the Department.

2 e. To suspend or revoke any license issued pursuant to this
3 Act or the rules and regulations promulgated by the Department
4 thereunder.

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

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

23 h. To enter into an agreement or agreements with the
24 management of state lotteries operated pursuant to the laws of
25 other states for the purpose of creating and operating a
26 multi-state lottery game wherein a separate and distinct prize

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

1 The Department is authorized to transfer prize award funds
2 attributable to Illinois sales of multi-state lottery game
3 tickets to the multi-state control office, or its designated
4 depository, for deposit to such game pool account or accounts
5 as may be established by the multi-state game directors, the
6 records of which account or accounts shall be available at all
7 times for inspection in an audit by the Auditor General of
8 Illinois and any other auditors pursuant to the laws of the
9 State of Illinois. No multi-state game prize awarded to a
10 nonresident of Illinois, with respect to a ticket or share
11 purchased in a state other than the State of Illinois, shall be
12 deemed to be a prize awarded under this Act for the purpose of
13 taxation under the Illinois Income Tax Act. The Department
14 shall promulgate such rules as may be appropriate to implement
15 the provisions of this Section.

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

25 j. To report monthly to the State Treasurer and the Lottery
26 Control Board a full and complete statement of lottery

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

11 (Source: P.A. 96-37, eff. 7-13-09.)

12 (20 ILCS 1605/9.1)

13 Sec. 9.1. Private manager and management agreement.

14 (a) As used in this Section:

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

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

20 (1) Statements of qualifications.

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

1 "Final offer" means the last proposal submitted by an
2 offeror in response to the request for qualifications,
3 including the identity of any prospective vendor or vendors
4 that the offeror intends to initially engage to assist the
5 offeror in performing its obligations under the management
6 agreement.

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

10 (b) By September 15, 2010, the Governor shall select a
11 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
18 consideration for managing the Lottery, including terms
19 that may provide the private manager with an increase in
20 compensation if Lottery revenues grow by a specified
21 percentage in a given year.

22 (6) (Blank).

23 (7) A provision requiring the deposit of all Lottery
24 proceeds to be deposited into the State Lottery Fund except
25 as otherwise provided in Section 20 of this Act.

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

1 Department, following the termination of or foreclosure
2 upon the management agreement.

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

9 (22) The disclosure of any information requested by the
10 Department to enable it to comply with the reporting
11 requirements and information requests provided for under
12 subsection (p) of this Section.

13 (e) Notwithstanding any other law to the contrary, the
14 Department shall select a private manager through a competitive
15 request for qualifications process consistent with Section
16 20-35 of the Illinois Procurement Code, which shall take into
17 account:

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

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

25 (3) the offeror's ability to provide the most
26 successful management of the Lottery for the benefit of the

1 people of the State based on current and past business
2 practices or plans of the offeror; and

3 (4) the offeror's poor or inadequate past performance
4 in servicing, equipping, operating or managing a lottery on
5 behalf of Illinois, another State or foreign government and
6 attracting persons who are not currently regular players of
7 a lottery.

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

1 business or financial relationship with any offeror or any
2 vendor identified to assist an offeror in performing its
3 obligations under the management agreement. Any advisor
4 retained by the Department shall be disqualified from being an
5 offeror. The Department shall not include terms in the request
6 for qualifications that provide a material advantage whether
7 directly or indirectly to any potential offeror, or any
8 contractor or subcontractor presently providing goods,
9 services, or equipment to the Department to support the
10 Lottery, including terms contained in previous responses to
11 requests for proposals or qualifications submitted to
12 Illinois, another State or foreign government when those terms
13 are uniquely associated with a particular potential offeror,
14 contractor, or subcontractor. The request for proposals
15 offered by the Department on December 22, 2008 as
16 "LOT08GAMESYS" and reference number "22016176" is declared
17 void.

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

- 25 (1) The date, time, and place of the hearing.
- 26 (2) The subject matter of the hearing.

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

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

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

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

26 (i) Any action to contest the private manager selected by

1 the Governor under this Section must be brought within 7
2 calendar days after the publication of the notice of the
3 designation of the private manager as provided in subsection
4 (h) of this Section.

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

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

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

19 (m) Neither this Section nor any management agreement
20 entered into under this Section prohibits the General Assembly
21 from authorizing forms of gambling that are not in direct
22 competition with the Lottery.

23 (n) The private manager shall be subject to a complete
24 investigation in the third, seventh, and tenth years of the
25 agreement (if the agreement is for a 10-year term) by the
26 Department in cooperation with the Auditor General to determine

1 whether the private manager has complied with this Section and
2 the management agreement. The private manager shall bear the
3 cost of an investigation or reinvestigation of the private
4 manager under this subsection.

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

24 Upon receipt of a written request from the Chief
25 Procurement Officer, the Department shall provide to the Chief
26 Procurement Officer a complete and un-redacted copy of the

1 management agreement or any contract that is subject to the
2 Department's approval authority under this subsection (o). The
3 Department shall provide a copy of the agreement or contract to
4 the Chief Procurement Officer in the time specified by the
5 Chief Procurement Officer in his or her written request, but no
6 later than 5 business days after the request is received by the
7 Department. The Chief Procurement Officer must retain any
8 portions of the management agreement or of any contract
9 designated by the Department as confidential, proprietary, or
10 trade secret information in complete confidence pursuant to the
11 subsection (g) of Section 7 of the Freedom of Information Act.
12 The Department shall also provide the Chief Procurement Officer
13 with reasonable advance written notice of any contract that is
14 pending Department approval.

15 Notwithstanding any other provision of this Section to the
16 contrary, the Chief Procurement Officer shall adopt
17 administrative rules, including emergency rules, to establish
18 a procurement process to select a successor private manager if
19 a private management agreement has been terminated. The
20 selection process shall at a minimum take into account the
21 criteria set forth in items (1) through (4) of subsection (e)
22 of this Section and may include provisions consistent with
23 subsections (f), (g), (h), and (i) of this Section. The Chief
24 Procurement Officer shall also implement and administer the
25 adopted selection process upon the termination of a private
26 management agreement. The Department, after the Chief

1 Procurement Officer certifies that the procurement process has
2 been followed in accordance with the rules adopted under this
3 subsection (o), shall select a final offeror as the private
4 manager and sign the management agreement with the private
5 manager.

6 Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and
7 21.8, the Department shall distribute all proceeds of lottery
8 tickets and shares sold in the following priority and manner:

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

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

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

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

1 (p) The Department shall be subject to the following
2 reporting and information request requirements:

3 (1) the Department shall submit written quarterly
4 reports to the Governor and the General Assembly on the
5 activities and actions of the private manager selected
6 under this Section;

7 (2) upon request of the Chief Procurement Officer, the
8 Department shall promptly produce information related to
9 the procurement activities of the Department and the
10 private manager requested by the Chief Procurement
11 Officer; the Chief Procurement Officer must retain
12 confidential, proprietary, or trade secret information
13 designated by the Department in complete confidence
14 pursuant to subsection (g) of Section 7 of the Freedom of
15 Information Act; and

16 (3) at least 30 days prior to the beginning of the
17 Department's fiscal year, the Department shall prepare an
18 annual written report on the activities of the private
19 manager selected under this Section and deliver that report
20 to the Governor and General Assembly.

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
22 eff. 12-23-09.)

23 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

24 Sec. 10. The Department ~~Division~~, upon application
25 therefor on forms prescribed by the Department ~~Division~~, and

1 upon a determination by the Department ~~Division~~ that the
2 applicant meets all of the qualifications specified in this
3 Act, shall issue a license as an agent to sell lottery tickets
4 or shares. No license as an agent to sell lottery tickets or
5 shares shall be issued to any person to engage in business
6 exclusively as a lottery sales agent.

7 Before issuing such license the Superintendent shall
8 consider (a) the financial responsibility and security of the
9 person and his business or activity, (b) the accessibility of
10 his place of business or activity to the public, (c) the
11 sufficiency of existing licenses to serve the public
12 convenience, (d) the volume of expected sales, and (e) such
13 other factors as he or she may deem appropriate.

14 Until September 1, 1987, the provisions of Sections 2a, 4,
15 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,
16 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
17 not inconsistent with this Act shall apply to the subject
18 matter of this Act to the same extent as if such provisions
19 were included in this Act. For purposes of this Act, references
20 in such incorporated Sections of the Retailers' Occupation Tax
21 Act to retailers, sellers or persons engaged in the business of
22 selling tangible personal property mean persons engaged in
23 selling lottery tickets or shares; references in such
24 incorporated Sections to sales of tangible personal property
25 mean the selling of lottery tickets or shares; and references
26 in such incorporated Sections to certificates of registration

1 mean licenses issued under this Act. The provisions of the
2 Retailers' Occupation Tax Act as heretofore applied to the
3 subject matter of this Act shall not apply with respect to
4 tickets sold by or delivered to lottery sales agents on and
5 after September 1, 1987, but such provisions shall continue to
6 apply with respect to transactions involving the sale and
7 delivery of tickets prior to September 1, 1987.

8 All licenses issued by the Department ~~Division~~ under this
9 Act shall be valid for a period not to exceed 2 years after
10 issuance unless sooner revoked, canceled or suspended as in
11 this Act provided. No license issued under this Act shall be
12 transferable or assignable. Such license shall be
13 conspicuously displayed in the place of business conducted by
14 the licensee in Illinois where lottery tickets or shares are to
15 be sold under such license.

16 For purposes of this Section, the term "person" shall be
17 construed to mean and include an individual, association,
18 partnership, corporation, club, trust, estate, society,
19 company, joint stock company, receiver, trustee, referee, any
20 other person acting in a fiduciary or representative capacity
21 who is appointed by a court, or any combination of individuals.
22 "Person" includes any department, commission, agency or
23 instrumentality of the State, including any county, city,
24 village, or township and any agency or instrumentality thereof.
25 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

2 Sec. 10.1. The following are ineligible for any license
3 under this Act:

4 (a) any person who has been convicted of a felony;

5 (b) any person who is or has been a professional gambler or
6 gambling promoter;

7 (c) any person who has engaged in bookmaking or other forms
8 of illegal gambling;

9 (d) any person who is not of good character and reputation
10 in the community in which he resides;

11 (e) any person who has been found guilty of any fraud or
12 misrepresentation in any connection;

13 (f) any firm or corporation in which a person defined in
14 (a), (b), (c), (d) or (e) has a proprietary, equitable or
15 credit interest of 5% or more.

16 (g) any organization in which a person defined in (a), (b),
17 (c), (d) or (e) is an officer, director, or managing agent,
18 whether compensated or not;

19 (h) any organization in which a person defined in (a), (b),
20 (c), (d), or (e) is to participate in the management or sales
21 of lottery tickets or shares.

22 However, with respect to persons defined in (a), the
23 Department may grant any such person a license under this Act
24 when:

25 1) at least 10 years have elapsed since the date when the
26 sentence for the most recent such conviction was satisfactorily

1 completed;

2 2) the applicant has no history of criminal activity
3 subsequent to such conviction;

4 3) the applicant has complied with all conditions of
5 probation, conditional discharge, supervision, parole or
6 mandatory supervised release; and

7 4) the applicant presents at least 3 letters of
8 recommendation from responsible citizens in his community who
9 personally can attest that the character and attitude of the
10 applicant indicate that he is unlikely to commit another crime.

11 The Department ~~Division~~ may revoke, without notice or a
12 hearing, the license of any agent who violates this Act or any
13 rule or regulation promulgated pursuant to this Act. However,
14 if the Department ~~Division~~ does revoke a license without notice
15 and an opportunity for a hearing, the Department ~~Division~~
16 shall, by appropriate notice, afford the person whose license
17 has been revoked an opportunity for a hearing within 30 days
18 after the revocation order has been issued. As a result of any
19 such hearing, the Department ~~Division~~ may confirm its action in
20 revoking the license, or it may order the restoration of such
21 license.

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

23 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

24 Sec. 10.1a. In addition to other grounds specified in this
25 Act, the Department ~~Division~~ shall refuse to issue and shall

1 suspend the license of any lottery sales agency who fails to
2 file a return, or to pay the tax, penalty or interest shown in
3 a filed return, or to pay any final assessment of tax, penalty
4 or interest, as required by any tax Act administered by the
5 Department of Revenue, until such time as the requirements of
6 any such tax Act are satisfied, unless the agency is
7 contesting, in accordance with the procedures established by
8 the appropriate revenue Act, its liability for the tax or the
9 amount of tax. The Department ~~Division~~ shall affirmatively
10 verify the tax status of every sales agency before issuing or
11 renewing a license. For purposes of this Section, a sales
12 agency shall not be considered delinquent in the payment of a
13 tax if the agency (a) has entered into an agreement with the
14 Department of Revenue for the payment of all such taxes that
15 are due and (b) is in compliance with the agreement.

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

17 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

18 Sec. 10.2. Application and other fees. Each application
19 for a new lottery license must be accompanied by a one-time
20 application fee of \$50; the Department ~~Division~~, however, may
21 waive the fee for licenses of limited duration as provided by
22 Department rule. Each application for renewal of a lottery
23 license must be accompanied by a renewal fee of \$25. Each
24 lottery licensee granted on-line status pursuant to the
25 Department's rules must pay a fee of \$10 per week as partial

1 reimbursement for telecommunications charges incurred by the
2 Department in providing access to the lottery's on-line gaming
3 system. The Department, by rule, may increase or decrease the
4 amount of these fees.

5 (Source: P.A. 93-840, eff. 7-30-04; 94-776, eff. 5-19-06.)

6 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

7 Sec. 10.6. The Department ~~Division~~ shall make an effort to
8 more directly inform players of the odds of winning prizes.
9 This effort shall include, at a minimum, that the Department
10 ~~Division~~ require all ticket agents to display a placard stating
11 the odds of winning for each game offered by that agent.

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

13 (20 ILCS 1605/10.7)

14 Sec. 10.7. Compulsive gambling.

15 (a) Each lottery sales agent shall post a statement
16 regarding obtaining assistance with gambling problems and
17 including a toll-free "800" telephone number providing crisis
18 counseling and referral services to families experiencing
19 difficulty as a result of problem or compulsive gambling. The
20 text of the statement shall be determined by rule by the
21 Department of Human Services, shall be no more than one
22 sentence in length, and shall be posted on the placard required
23 under Section 10.6. The signs shall be provided by the
24 Department of Human Services.

1 (b) The Department ~~Division~~ shall print a statement
2 regarding obtaining assistance with gambling problems, the
3 text of which shall be determined by rule by the Department of
4 Human Services, on all paper stock it provides to the general
5 public.

6 (c) The Department ~~Division~~ shall print a statement of no
7 more than one sentence in length regarding obtaining assistance
8 with gambling problems and including a toll-free "800" number
9 providing crisis counseling and referral services to families
10 experiencing difficulty as a result of problem or compulsive
11 gambling on the back of all lottery tickets.

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

13 (20 ILCS 1605/10.8)

14 Sec. 10.8. Specialty retailers license.

15 (a) "Veterans service organization" means an organization
16 that:

17 (1) is formed by and for United States military
18 veterans;

19 (2) is chartered by the United States Congress and
20 incorporated in the State of Illinois;

21 (3) maintains a state headquarters office in the State
22 of Illinois; and

23 (4) is not funded by the State of Illinois or by any
24 county in this State.

25 (b) The Department ~~Division~~ shall establish a special

1 classification of retailer license to facilitate the
2 year-round sale of the instant scratch-off lottery game
3 established by the General Assembly in Section 21.6. The fees
4 set forth in Section 10.2 do not apply to a specialty retailer
5 license.

6 The holder of a specialty retailer license (i) shall be a
7 veterans service organization, (ii) may sell only specialty
8 lottery tickets established for the benefit of the Veterans
9 Assistance Fund in the State treasury, (iii) is required to
10 purchase those tickets up front at face value from the Illinois
11 Lottery, and (iv) must sell those tickets at face value.
12 Specialty retailers may obtain a refund from the Department
13 ~~Division~~ for any unsold specialty tickets that they have
14 purchased for resale, as set forth in the specialty retailer
15 agreement.

16 Specialty retailers shall receive a sales commission equal
17 to 2% of the face value of specialty game tickets purchased
18 from the Department, less adjustments for unsold tickets
19 returned to the Illinois Lottery for credit. Specialty
20 retailers may not cash winning tickets, but are entitled to a
21 1% bonus in connection with the sale of a winning specialty
22 game ticket having a price value of \$1,000 or more.

23 (Source: P.A. 96-1105, eff. 7-19-10.)

24 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

25 Sec. 12. The public inspection and copying of the records

1 and data of the Department ~~Division~~ and the Board shall be
2 generally governed by the provisions of the Freedom of
3 Information Act except that the following shall additionally be
4 exempt from inspection and copying:

5 (i) information privileged against introduction in
6 judicial proceedings;

7 (ii) internal communications of the several agencies;

8 (iii) information concerning secret manufacturing
9 processes or confidential data submitted by any person
10 under this Act;

11 (iv) any creative proposals, scripts, storyboards or
12 other materials prepared by or for the Department ~~Division~~,
13 prior to the placement of the materials in the media, if
14 the prior release of the materials would compromise the
15 effectiveness of an advertising campaign.

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

17 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

18 Sec. 13. Except as otherwise provided in Section 13.1, no
19 prize, nor any portion of a prize, nor any right of any person
20 to a prize awarded shall be assignable. Any prize, or portion
21 thereof remaining unpaid at the death of a prize winner, may be
22 paid to the estate of such deceased prize winner, or to the
23 trustee under a revocable living trust established by the
24 deceased prize winner as settlor, provided that a copy of such
25 a trust has been filed with the Department along with a

1 notarized letter of direction from the settlor and no written
2 notice of revocation has been received by the Department
3 ~~Division~~ prior to the settlor's death. Following such a
4 settlor's death and prior to any payment to such a successor
5 trustee, the Superintendent shall obtain from the trustee a
6 written agreement to indemnify and hold the Department and the
7 Department ~~Division~~ harmless with respect to any claims that
8 may be asserted against the Department ~~or the Division~~ arising
9 from payment to or through the trust. Notwithstanding any other
10 provision of this Section, any person pursuant to an
11 appropriate judicial order may be paid the prize to which a
12 winner is entitled, and all or part of any prize otherwise
13 payable by State warrant under this Section shall be withheld
14 upon certification to the State Comptroller from the Department
15 of Healthcare and Family Services as provided in Section
16 10-17.5 of The Illinois Public Aid Code. The Director and the
17 Superintendent shall be discharged of all further liability
18 upon payment of a prize pursuant to this Section.

19 (Source: P.A. 94-776, eff. 5-19-06; 95-331, eff. 8-21-07.)

20 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

21 Sec. 14. No person shall sell a ticket or share at a price
22 greater than that fixed by rule or regulation of the Department
23 ~~or the Division~~. No person other than a licensed lottery sales
24 agent or distributor shall sell or resell lottery tickets or
25 shares. No person shall charge a fee to redeem a winning ticket

1 or share.

2 Any person convicted of violating this Section shall be
3 guilty of a Class B misdemeanor; provided, that if any offense
4 under this Section is a subsequent offense, the offender shall
5 be guilty of a Class 4 felony.

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

7 (20 ILCS 1605/14.3)

8 Sec. 14.3. Misuse of proprietary material prohibited.
9 Except as may be provided in Section 7.11, or by bona fide sale
10 or by prior authorization from the Department or the Division,
11 or otherwise by law, all premiums, promotional and other
12 proprietary material produced or acquired by the Department
13 ~~Division~~ as part of its advertising and promotional activities
14 shall remain the property of the Department. Nothing herein
15 shall be construed to affect the rights or obligations of the
16 Department or any other person under federal or State trademark
17 or copyright laws.

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

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

20 Sec. 19. The Department ~~Division~~ shall establish an
21 appropriate period for the claiming of prizes for each lottery
22 game offered. Each claim period shall be stated in game rules
23 and written play instructions issued by the Superintendent in
24 accordance with Section 7.1 of this Act. Written play

1 instructions shall be made available to all players through
2 sales agents licensed to sell game tickets or shares. Prizes
3 for lottery games which involve the purchase of a physical
4 lottery ticket may be claimed only by presentation of a valid
5 winning lottery ticket that matches validation records on file
6 with the Lottery; no claim may be honored which is based on the
7 assertion that the ticket was lost or stolen. No lottery ticket
8 which has been altered, mutilated, or fails to pass validation
9 tests shall be deemed to be a winning ticket.

10 If no claim is made for the money within the established
11 claim period, the prize may be included in the prize pool of
12 such special drawing or drawings as the Department ~~Division~~
13 may, from time to time, designate. Unclaimed multi-state game
14 prize money may be included in the multi-state prize pool for
15 such special drawing or drawings as the multi-state game
16 directors may, from time to time, designate. Any bonuses
17 offered by the Department to sales agents who sell winning
18 tickets or shares shall be payable to such agents regardless of
19 whether or not the prize money on the ticket or share is
20 claimed, provided that the agent can be identified as the
21 vendor of the winning ticket or share, and that the winning
22 ticket or share was sold on or after January 1, 1984. All
23 unclaimed prize money not included in the prize pool of a
24 special drawing shall be transferred to the Common School Fund.
25 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

2 Sec. 20.1. Department account.

3 (a) The Department is authorized to pay validated prizes up
4 to \$25,000 from funds held by the Department in an account
5 separate and apart from all public moneys of the State. Moneys
6 in this account shall be administered by the Superintendent
7 ~~Director~~ exclusively for the purposes of issuing payments to
8 prize winners authorized by this Section. Moneys in this
9 account shall be deposited by the Department into the Public
10 Treasurers' Investment Pool established under Section 17 of the
11 State Treasurer Act. The Department shall submit vouchers from
12 time to time as needed for reimbursement of this account from
13 moneys appropriated for prizes from the State Lottery Fund.
14 Investment income earned from this account shall be deposited
15 monthly by the Department into the Common School Fund. The
16 Department shall file quarterly fiscal reports specifying the
17 activity of this account as required under Section 16 of the
18 State Comptroller Act, and shall file quarterly with the
19 General Assembly, the Auditor General, the Comptroller, and the
20 State Treasurer a report indicating the costs associated with
21 this activity.

22 (b) The Department is authorized to enter into an
23 interagency agreement with the Office of the Comptroller or any
24 other State agency to establish responsibilities, duties, and
25 procedures for complying with the Comptroller's Offset System
26 under Section 10.05 of the State Comptroller Act. All federal

1 and State tax reporting and withholding requirements relating
2 to prize winners under this Section shall be the responsibility
3 of the Department. Moneys from this account may not be used to
4 pay amounts to deferred prize winners. Moneys may not be
5 transferred from the State Lottery Fund to this account for
6 payment of prizes under this Section until procedures are
7 implemented to comply with the Comptroller's Offset System and
8 sufficient internal controls are in place to validate prizes.

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

10 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

11 Sec. 21. All lottery sales agents or distributors shall be
12 liable to the Lottery for any and all tickets accepted or
13 generated by any employee or representative of that agent or
14 distributor, and such tickets shall be deemed to have been
15 purchased by the agent or distributor unless returned to the
16 Lottery within the time and in the manner prescribed by the
17 Superintendent. All moneys received by such agents or
18 distributors from the sale of lottery tickets or shares, less
19 the amount retained as compensation for the sale of the tickets
20 or shares and the amount paid out as prizes, shall be paid over
21 to a lottery representative or deposited in a bank or savings
22 and loan association approved by the State Treasurer, as
23 prescribed by the Superintendent.

24 No bank or savings and loan association shall receive
25 public funds as permitted by this Section, unless it has

1 complied with the requirements established pursuant to Section
2 6 of the Public Funds Investment Act.

3 Each payment or deposit shall be accompanied by a report of
4 the agent's receipts and transactions in the sale of lottery
5 tickets in such form and containing such information as the
6 Superintendent may require. Any discrepancies in such receipts
7 and transactions may be resolved as provided by the rules and
8 regulations of the Department.

9 If any money due the Lottery by a sales agent or
10 distributor is not paid when due or demanded, it shall
11 immediately become delinquent and be billed on a subsequent
12 monthly statement. If on the closing date for any monthly
13 statement a delinquent amount previously billed of more than
14 \$50 remains unpaid, interest in such amount shall be accrued at
15 the rate of 2% per month or fraction thereof from the date when
16 such delinquent amount becomes past due until such delinquent
17 amount, including interest, penalty and other costs and charges
18 that the Department may incur in collecting such amounts, is
19 paid. In case any agent or distributor fails to pay any moneys
20 due the Lottery within 30 days after a second bill or statement
21 is rendered to the agent or distributor, such amount shall be
22 deemed seriously delinquent and may be referred by the
23 Department to a collection agency or credit bureau for
24 collection. Any contract entered into by the Department for the
25 collection of seriously delinquent accounts with a collection
26 agency or credit bureau may be satisfied by a commercially

1 reasonable percentage of the delinquent account recouped,
2 which shall be negotiated by the Department in accordance with
3 commercially accepted standards. Any costs incurred by the
4 Department or others authorized to act in its behalf in
5 collecting such delinquencies may be assessed against the agent
6 or distributor and included as a part of the delinquent
7 account.

8 In case of failure of an agent or distributor to pay a
9 seriously delinquent amount, or any portion thereof, including
10 interest, penalty and costs, the Department ~~Division~~ may issue
11 a Notice of Assessment. In determining amounts shown on the
12 Notice of Assessment, the Department ~~Division~~ shall utilize the
13 financial information available from its records. Such Notice
14 of Assessment shall be prima facie correct and shall be prima
15 facie evidence of delinquent sums due under this Section at any
16 hearing before the Board, or its Hearing Officers, or at any
17 other legal proceeding. Reproduced copies of the Department's
18 ~~Division's~~ records relating to a delinquent account or a Notice
19 of Assessment offered in the name of the Department, under the
20 Certificate of the Superintendent ~~Director~~ or any officer or
21 employee of the Department designated in writing by the
22 Superintendent ~~Director~~ shall, without further proof, be
23 admitted into evidence in any such hearing or any legal
24 proceeding and shall be prima facie proof of the delinquency,
25 including principal and any interest, penalties and costs, as
26 shown thereon. The Attorney General may bring suit on behalf of

1 the Department to collect all such delinquent amounts, or any
2 portion thereof, including interest, penalty and costs, due the
3 Lottery.

4 Any person who accepts money that is due to the Department
5 from the sale of lottery tickets under this Act, but who
6 wilfully fails to remit such payment to the Department when due
7 or who purports to make such payment but wilfully fails to do
8 so because his check or other remittance fails to clear the
9 bank or savings and loan association against which it is drawn,
10 in addition to the amount due and in addition to any other
11 penalty provided by law, shall be assessed, and shall pay, a
12 penalty equal to 5% of the deficiency plus any costs or charges
13 incurred by the Department in collecting such amount.

14 The Superintendent ~~Director~~ may make such arrangements for
15 any person(s), banks, savings and loan associations or
16 distributors, to perform such functions, activities or
17 services in connection with the operation of the lottery as he
18 deems advisable pursuant to this Act, the State Comptroller
19 Act, or the rules and regulations of the Department, and such
20 functions, activities or services shall constitute lawful
21 functions, activities and services of such person(s), banks,
22 savings and loan associations or distributors.

23 All income arising out of any activity or purpose of the
24 Department ~~Division~~ shall, pursuant to the State Finance Act,
25 be paid into the State Treasury except as otherwise provided by
26 the rules and regulations of the Department and shall be

1 covered into a special fund to be known as the State Lottery
2 Fund. Banks and savings and loan associations may be
3 compensated for services rendered based upon the activity and
4 amount of funds on deposit.

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

6 (20 ILCS 1605/21.5)

7 Sec. 21.5. Ticket For The Cure.

8 (a) The Department shall offer a special instant
9 scratch-off game with the title of "Ticket For The Cure". The
10 game shall commence on January 1, 2006 or as soon thereafter,
11 in the discretion of the Superintendent ~~Director~~, as is
12 reasonably practical, and shall be discontinued on December 31,
13 2011. The operation of the game shall be governed by this Act
14 and any rules adopted by the Department. The Department must
15 consult with the Ticket For The Cure Board, which is
16 established under Section 2310-347 of the Department of Public
17 Health Powers and Duties Law of the Civil Administrative Code
18 of Illinois, regarding the design and promotion of the game. If
19 any provision of this Section is inconsistent with any other
20 provision of this Act, then this Section governs.

21 (b) The Carolyn Adams Ticket For The Cure Grant Fund is
22 created as a special fund in the State treasury. The net
23 revenue from the Ticket For The Cure special instant
24 scratch-off game shall be deposited into the Fund for
25 appropriation by the General Assembly solely to the Department

1 of Public Health for the purpose of making grants to public or
2 private entities in Illinois for the purpose of funding
3 research concerning breast cancer and for funding services for
4 breast cancer victims. The Department must, before grants are
5 awarded, provide copies of all grant applications to the Ticket
6 For The Cure Board, receive and review the Board's
7 recommendations and comments, and consult with the Board
8 regarding the grants. For purposes of this Section, the term
9 "research" includes, without limitation, expenditures to
10 develop and advance the understanding, techniques, and
11 modalities effective in the detection, prevention, screening,
12 and treatment of breast cancer and may include clinical trials.
13 The grant funds may not be used for institutional,
14 organizational, or community-based overhead costs, indirect
15 costs, or levies.

16 Moneys received for the purposes of this Section,
17 including, without limitation, net revenue from the special
18 instant scratch-off game and gifts, grants, and awards from any
19 public or private entity, must be deposited into the Fund. Any
20 interest earned on moneys in the Fund must be deposited into
21 the Fund.

22 For purposes of this subsection, "net revenue" means the
23 total amount for which tickets have been sold less the sum of
24 the amount paid out in prizes and the actual administrative
25 expenses of the Department solely related to the Ticket For The
26 Cure game.

1 (c) During the time that tickets are sold for the Ticket
2 For The Cure game, the Department shall not unreasonably
3 diminish the efforts devoted to marketing any other instant
4 scratch-off lottery game.

5 (d) The Department may adopt any rules necessary to
6 implement and administer the provisions of this Section.

7 (Source: P.A. 96-1290, eff. 7-26-10.)

8 (20 ILCS 1605/21.6)

9 Sec. 21.6. Scratch-off for Illinois veterans.

10 (a) The Department shall offer a special instant
11 scratch-off game for the benefit of Illinois veterans. The game
12 shall commence on January 1, 2006 or as soon thereafter, at the
13 discretion of the Superintendent ~~Director~~, as is reasonably
14 practical. The operation of the game shall be governed by this
15 Act and any rules adopted by the Department. If any provision
16 of this Section is inconsistent with any other provision of
17 this Act, then this Section governs.

18 (b) The Illinois Veterans Assistance Fund is created as a
19 special fund in the State treasury. The net revenue from the
20 Illinois veterans scratch-off game shall be deposited into the
21 Fund for appropriation by the General Assembly solely to the
22 Department of Veterans Affairs for making grants, funding
23 additional services, or conducting additional research
24 projects relating to each of the following:

25 (i) veterans' post traumatic stress disorder;

- 1 (ii) veterans' homelessness;
- 2 (iii) the health insurance costs of veterans;
- 3 (iv) veterans' disability benefits, including but not
4 limited to, disability benefits provided by veterans
5 service organizations and veterans assistance commissions
6 or centers; and
- 7 (v) the long-term care of veterans; provided that,
8 beginning with moneys appropriated for fiscal year 2008, no
9 more than 20% of such moneys shall be used for health
10 insurance costs.

11 In order to expend moneys from this special fund,
12 beginning with moneys appropriated for fiscal year 2008,
13 the Director of Veterans' Affairs shall appoint a 3-member
14 funding authorization committee. The Superintendent
15 ~~Director~~ shall designate one of the members as chairperson.
16 The committee shall meet on a quarterly basis, at a
17 minimum, and shall authorize expenditure of moneys from the
18 special fund by a two-thirds vote. Decisions of the
19 committee shall not take effect unless and until approved
20 by the Director of Veterans' Affairs. Each member of the
21 committee shall serve until a replacement is named by the
22 Director of Veterans' Affairs. One member of the committee
23 shall be a member of the Veterans' Advisory Council.

24 Moneys collected from the special instant scratch-off game
25 shall be used only as a supplemental financial resource and
26 shall not supplant existing moneys that the Department of

1 Veterans Affairs may currently expend for the purposes set
2 forth in items (i) through (v).

3 Moneys received for the purposes of this Section,
4 including, without limitation, net revenue from the special
5 instant scratch-off game and from gifts, grants, and awards
6 from any public or private entity, must be deposited into the
7 Fund. Any interest earned on moneys in the Fund must be
8 deposited into the Fund.

9 For purposes of this subsection, "net revenue" means the
10 total amount for which tickets have been sold less the sum of
11 the amount paid out in the prizes and the actual administrative
12 expenses of the Department solely related to the scratch-off
13 game under this Section.

14 (c) During the time that tickets are sold for the Illinois
15 veterans scratch-off game, the Department shall not
16 unreasonably diminish the efforts devoted to marketing any
17 other instant scratch-off lottery game.

18 (d) The Department may adopt any rules necessary to
19 implement and administer the provisions of this Section.

20 (Source: P.A. 94-585, eff. 8-15-05; 95-331, eff. 8-20-07;
21 95-649, eff. 10-11-07.)

22 (20 ILCS 1605/21.7)

23 Sec. 21.7. Scratch-out Multiple Sclerosis scratch-off
24 game.

25 (a) The Department shall offer a special instant

1 scratch-off game for the benefit of research pertaining to
2 multiple sclerosis. The game shall commence on July 1, 2008 or
3 as soon thereafter, in the discretion of the Superintendent
4 ~~Director~~, as is reasonably practical. The operation of the game
5 shall be governed by this Act and any rules adopted by the
6 Department. If any provision of this Section is inconsistent
7 with any other provision of this Act, then this Section
8 governs.

9 (b) The Multiple Sclerosis Research Fund is created as a
10 special fund in the State treasury. The net revenue from the
11 scratch-out multiple sclerosis scratch-off game created under
12 this Section shall be deposited into the Fund for appropriation
13 by the General Assembly to the Department of Public Health for
14 the purpose of making grants to organizations in Illinois that
15 conduct research pertaining to the repair of damage caused by
16 an acquired demyelinating disease of the central nervous
17 system.

18 Moneys received for the purposes of this Section,
19 including, without limitation, net revenue from the special
20 instant scratch-off game and from gifts, grants, and awards
21 from any public or private entity, must be deposited into the
22 Fund. Any interest earned on moneys in the Fund must be
23 deposited into the Fund.

24 For purposes of this Section, the term "research" includes,
25 without limitation, expenditures to develop and advance the
26 understanding, techniques, and modalities effective for

1 maintaining function, mobility, and strength through
2 preventive physical therapy or other treatments and to develop
3 and advance the repair of myelin, neuron, and axon damage
4 caused by an acquired demyelinating disease of the central
5 nervous system and the restoration of function, including but
6 not limited to, nervous system repair or neuroregeneration.

7 The grant funds may not be used for institutional,
8 organizational, or community-based overhead costs, indirect
9 costs, or levies.

10 For purposes of this subsection, "net revenue" means the
11 total amount for which tickets have been sold less the sum of
12 the amount paid out in the prizes and the actual administrative
13 expenses of the Department solely related to the scratch-off
14 game under this Section.

15 (c) During the time that tickets are sold for the
16 scratch-out multiple sclerosis scratch-off game, the
17 Department shall not unreasonably diminish the efforts devoted
18 to marketing any other instant scratch-off lottery game.

19 (d) The Department may adopt any rules necessary to
20 implement and administer the provisions of this Section.

21 (Source: P.A. 95-673, eff. 10-11-07; 95-876, eff. 8-21-08.)

22 (20 ILCS 1605/21.8)

23 Sec. 21.8. Quality of Life scratch-off game.

24 (a) The Department shall offer a special instant
25 scratch-off game with the title of "Quality of Life". The game

1 shall commence on July 1, 2007 or as soon thereafter, in the
2 discretion of the Superintendent ~~Director~~, as is reasonably
3 practical, and shall be discontinued on December 31, 2012. The
4 operation of the game is governed by this Act and by any rules
5 adopted by the Department. The Department must consult with the
6 Quality of Life Board, which is established under Section
7 2310-348 of the Department of Public Health Powers and Duties
8 Law of the Civil Administrative Code of Illinois, regarding the
9 design and promotion of the game. If any provision of this
10 Section is inconsistent with any other provision of this Act,
11 then this Section governs.

12 (b) The Quality of Life Endowment Fund is created as a
13 special fund in the State treasury. The net revenue from the
14 Quality of Life special instant scratch-off game must be
15 deposited into the Fund for appropriation by the General
16 Assembly solely to the Department of Public Health for the
17 purpose of HIV/AIDS-prevention education and for making grants
18 to public or private entities in Illinois for the purpose of
19 funding organizations that serve the highest at-risk
20 categories for contracting HIV or developing AIDS. Grants shall
21 be targeted to serve at-risk populations in proportion to the
22 distribution of recent reported Illinois HIV/AIDS cases among
23 risk groups as reported by the Illinois Department of Public
24 Health. The recipient organizations must be engaged in
25 HIV/AIDS-prevention education and HIV/AIDS healthcare
26 treatment. The Department must, before grants are awarded,

1 provide copies of all grant applications to the Quality of Life
2 Board, receive and review the Board's recommendations and
3 comments, and consult with the Board regarding the grants.
4 Organizational size will determine an organization's
5 competitive slot in the "Request for Proposal" process.
6 Organizations with an annual budget of \$300,000 or less will
7 compete with like size organizations for 50% of the Quality of
8 Life annual fund. Organizations with an annual budget of
9 \$300,001 to \$700,000 will compete with like organizations for
10 25% of the Quality of Life annual fund, and organizations with
11 an annual budget of \$700,001 and upward will compete with like
12 organizations for 25% of the Quality of Life annual fund. The
13 lottery may designate a percentage of proceeds for marketing
14 purpose. The grant funds may not be used for institutional,
15 organizational, or community-based overhead costs, indirect
16 costs, or levies.

17 Grants awarded from the Fund are intended to augment the
18 current and future State funding for the prevention and
19 treatment of HIV/AIDS and are not intended to replace that
20 funding.

21 Moneys received for the purposes of this Section,
22 including, without limitation, net revenue from the special
23 instant scratch-off game and gifts, grants, and awards from any
24 public or private entity, must be deposited into the Fund. Any
25 interest earned on moneys in the Fund must be deposited into
26 the Fund.

1 For purposes of this subsection, "net revenue" means the
2 total amount for which tickets have been sold less the sum of
3 the amount paid out in prizes and the actual administrative
4 expenses of the Department solely related to the Quality of
5 Life game.

6 (c) During the time that tickets are sold for the Quality
7 of Life game, the Department shall not unreasonably diminish
8 the efforts devoted to marketing any other instant scratch-off
9 lottery game.

10 (d) The Department may adopt any rules necessary to
11 implement and administer the provisions of this Section in
12 consultation with the Quality of Life Board.

13 (Source: P.A. 95-674, eff. 10-11-07; 95-876, eff. 8-21-08.)

14 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

15 Sec. 27. (a) The State Treasurer may, with the consent of
16 the Superintendent ~~Director~~, contract with any person or
17 corporation, including, without limitation, a bank, banking
18 house, trust company or investment banking firm, to perform
19 such financial functions, activities or services in connection
20 with operation of the lottery as the State Treasurer and the
21 Superintendent ~~Director~~ may prescribe.

22 (b) All proceeds from investments made pursuant to
23 contracts executed by the State Treasurer, with the consent of
24 the Superintendent ~~Director~~, to perform financial functions,
25 activities or services in connection with operation of the

1 lottery, shall be deposited and held by the State Treasurer as
2 ex-officio custodian thereof, separate and apart from all
3 public money or funds of this State in a special trust fund
4 outside the State treasury. Such trust fund shall be known as
5 the "Deferred Lottery Prize Winners Trust Fund", and shall be
6 administered by the Superintendent ~~Director~~.

7 The Superintendent ~~Director~~ shall, at such times and in
8 such amounts as shall be necessary, prepare and send to the
9 State Comptroller vouchers requesting payment from the
10 Deferred Lottery Prize Winners Trust Fund to deferred prize
11 winners, in a manner that will insure the timely payment of
12 such amounts owed.

13 This Act shall constitute an irrevocable appropriation of
14 all amounts necessary for that purpose, and the irrevocable and
15 continuing authority for and direction to the Superintendent
16 ~~Director~~ and the State Treasurer to make the necessary payments
17 out of such trust fund for that purpose.

18 (c) Moneys invested pursuant to subsection (a) of this
19 Section may be invested only in bonds, notes, certificates of
20 indebtedness, treasury bills, or other securities constituting
21 direct obligations of the United States of America and all
22 securities or obligations the prompt payment of principal and
23 interest of which is guaranteed by a pledge of the full faith
24 and credit of the United States of America. Interest earnings
25 on moneys in the Deferred Lottery Prize Winners Trust Fund
26 shall remain in such fund and be used to pay the winners of

1 lottery prizes deferred as to payment until such obligations
2 are discharged. Proceeds from bonds purchased and interest
3 accumulated as a result of a grand prize multi-state game
4 ticket that goes unclaimed will be transferred after the
5 termination of the relevant claim period directly from the
6 lottery's Deferred Lottery Prize Winners Trust Fund to each
7 respective multi-state partner state according to its
8 contribution ratio.

9 (c-5) If a deferred lottery prize is not claimed within the
10 claim period established by game rule, then the securities or
11 other instruments purchased to fund the prize shall be
12 liquidated and the liquidated amount shall be transferred to
13 the State Lottery Fund for disposition pursuant to Section 19
14 of this Act.

15 (c-10) The Superintendent ~~Director~~ may use a portion of the
16 moneys in the Deferred Lottery Prize Winners Trust Fund to
17 purchase bonds to pay a lifetime prize if the prize duration
18 exceeds the length of available securities. If the winner of a
19 lifetime prize exceeds his or her life expectancy as determined
20 using actuarial assumptions and the securities or moneys set
21 aside to pay the prize have been exhausted, moneys in the State
22 Lottery Fund shall be used to make payments to the winner for
23 the duration of the winner's life.

24 (c-15) From time to time, the Superintendent ~~Director~~ may
25 request that the State Comptroller transfer any excess moneys
26 in the Deferred Lottery Prize Winners Trust Fund to the Lottery

1 Fund.

2 (d) This amendatory Act of 1985 shall be construed
3 liberally to effect the purposes of the Illinois Lottery Law.

4 (Source: P.A. 89-466, eff. 6-13-96; 90-346, eff. 8-8-97.)

5 (20 ILCS 1605/29 new)

6 Sec. 29. The Department of the Lottery.

7 (a) Executive Order No. 2003-09 is hereby superseded by
8 this amendatory Act of the 97th General Assembly to the extent
9 that Executive Order No. 2003-09 transfers the powers, duties,
10 rights, and responsibilities of the Department of the Lottery
11 to the Division of the Lottery within the Department of
12 Revenue.

13 (b) The Division of the Lottery within the Department of
14 Revenue is hereby abolished and the Department of the Lottery
15 is created as an independent department. On the effective date
16 of this amendatory Act of the 97th General Assembly, all
17 powers, duties, rights, and responsibilities of the Division of
18 the Lottery within the Department of Revenue shall be
19 transferred to the Department of the Lottery.

20 (c) The personnel of the Division of the Lottery within the
21 Department of Revenue shall be transferred to the Department of
22 the Lottery. The status and rights of such employees under the
23 Personnel Code shall not be affected by the transfer. The
24 rights of the employees and the State of Illinois and its
25 agencies under the Personnel Code and applicable collective

1 bargaining agreements or under any pension, retirement, or
2 annuity plan shall not be affected by this amendatory Act of
3 the 97th General Assembly. To the extent that an employee
4 performs duties for the Division of the Lottery within the
5 Department of Revenue and the Department of Revenue itself or
6 any other division or agency within the Department of Revenue,
7 that employee shall be transferred at the Governor's
8 discretion.

9 (d) All books, records, papers, documents, property (real
10 and personal), contracts, causes of action, and pending
11 business pertaining to the powers, duties, rights, and
12 responsibilities transferred by this amendatory Act of the 97th
13 General Assembly from the Division of the Lottery within the
14 Department of Revenue to the Department of the Lottery,
15 including, but not limited to, material in electronic or
16 magnetic format and necessary computer hardware and software,
17 shall be transferred to the Department of the Lottery.

18 (e) All unexpended appropriations and balances and other
19 funds available for use by the Division of the Lottery within
20 the Department of Revenue shall be transferred for use by the
21 Department of the Lottery pursuant to the direction of the
22 Governor. Unexpended balances so transferred shall be expended
23 only for the purpose for which the appropriations were
24 originally made.

25 (f) The powers, duties, rights, and responsibilities
26 transferred from the Division of the Lottery within the

1 Department of Revenue by this amendatory Act of the 97th
2 General Assembly shall be vested in and shall be exercised by
3 the Department of the Lottery.

4 (g) Whenever reports or notices are now required to be made
5 or given or papers or documents furnished or served by any
6 person to or upon the Division of the Lottery within the
7 Department of Revenue in connection with any of the powers,
8 duties, rights, and responsibilities transferred by this
9 amendatory Act of the 97th General Assembly, the same shall be
10 made, given, furnished, or served in the same manner to or upon
11 the Department of the Lottery.

12 (h) This amendatory Act of the 97th General Assembly does
13 not affect any act done, ratified, or canceled or any right
14 occurring or established or any action or proceeding had or
15 commenced in an administrative, civil, or criminal cause by the
16 Division of the Lottery within the Department of Revenue before
17 this amendatory Act of the 97th General Assembly takes effect;
18 such actions or proceedings may be prosecuted and continued by
19 the Department of the Lottery.

20 (i) Any rules of the Division of the Lottery within the
21 Department of Revenue, including any rules of its predecessor
22 Department of the Lottery, that relate to its powers, duties,
23 rights, and responsibilities and are in full force on the
24 effective date of this amendatory Act of the 97th General
25 Assembly shall become the rules of the recreated Department of
26 the Lottery. This amendatory Act of the 97th General Assembly

1 does not affect the legality of any such rules in the Illinois
2 Administrative Code.

3 Any proposed rules filed with the Secretary of State by the
4 Division of the Lottery within the Department of Revenue that
5 are pending in the rulemaking process on the effective date of
6 this amendatory Act of the 97th General Assembly and pertain to
7 the powers, duties, rights, and responsibilities transferred,
8 shall be deemed to have been filed by the Department of the
9 Lottery. As soon as practicable hereafter, the Department of
10 the Lottery shall revise and clarify the rules transferred to
11 it under this amendatory Act of the 97th General Assembly to
12 reflect the reorganization of powers, duties, rights, and
13 responsibilities affected by this amendatory Act, using the
14 procedures for recodification of rules available under the
15 Illinois Administrative Procedures Act, except that existing
16 title, part, and section numbering for the affected rules may
17 be retained. The Department of the Lottery may propose and
18 adopt under the Illinois Administrative Procedures Act such
19 other rules of the Division of the Lottery within the
20 Department of Revenue that will now be administered by the
21 Department of the Lottery.

22 To the extent that, prior to the effective date of this
23 amendatory Act of the 97th General Assembly, the Superintendent
24 of the Division of the Lottery within the Department of Revenue
25 had been empowered to prescribe rules or had other rulemaking
26 authority jointly with the Director of the Department of

1 Revenue with regard to the powers, duties, rights, and
2 responsibilities of the Division of the Lottery within the
3 Department of Revenue, such duties shall be exercised from and
4 after the effective date of this amendatory Act of the 97th
5 General Assembly solely by the Superintendent of the Department
6 of the Lottery.

7 Section 15. The Department of Public Health Powers and
8 Duties Law of the Civil Administrative Code of Illinois is
9 amended by changing Section 2310-348 as follows:

10 (20 ILCS 2310/2310-348)

11 Sec. 2310-348. The Quality of Life Board.

12 (a) The Quality of Life Board is created as an advisory
13 board within the Department. The Board shall consist of 11
14 members as follows: 2 members appointed by the President of the
15 Senate; one member appointed by the Minority Leader of the
16 Senate; 2 members appointed by the Speaker of the House of
17 Representatives; one member appointed by the Minority Leader of
18 the House of Representatives; 2 members appointed by the
19 Governor, one of whom shall be designated as chair of the Board
20 at the time of appointment; and 3 members appointed by the
21 Director who represent organizations that advocate for the
22 healthcare needs of the first and second highest HIV/AIDS risk
23 groups, one each from the northern Illinois region, the central
24 Illinois region, and the southern Illinois region.

1 The Board members shall serve one 2-year term. If a vacancy
2 occurs in the Board membership, the vacancy shall be filled in
3 the same manner as the initial appointment.

4 (b) Board members shall serve without compensation but may
5 be reimbursed for their reasonable travel expenses from funds
6 appropriated for that purpose. The Department shall provide
7 staff and administrative support services to the Board.

8 (c) The Board must:

9 (i) consult with the Department of the Lottery Revenue
10 in designing and promoting the Quality of Life special
11 instant scratch-off lottery game; and

12 (ii) review grant applications, make recommendations
13 and comments, and consult with the Department of Public
14 Health in making grants, from amounts appropriated from the
15 Quality of Life Endowment Fund, to public or private
16 entities in Illinois for the purpose of
17 HIV/AIDS-prevention education and for making grants to
18 public or private entities in Illinois for the purpose of
19 funding organizations that serve the highest at-risk
20 categories for contracting HIV or developing AIDS in
21 accordance with Section 21.7 of the Illinois Lottery Law.

22 (d) The Board is discontinued on June 30, 2013.

23 (Source: P.A. 95-674, eff. 10-11-07.)

24 Section 20. The Illinois Department of Revenue Sunshine Act
25 is amended by changing Section 2.3 as follows:

1 (20 ILCS 2515/2.3) (from Ch. 127, par. 2002.3)

2 Sec. 2.3. "Revenue laws" means any statutes, rules or
3 regulations administered or promulgated by the Department
4 ~~including those concerning the Illinois Lottery Law.~~

5 (Source: P.A. 82-727.)

6 (20 ILCS 5/5-370 rep.)

7 Section 25. The Civil Administrative Code of Illinois is
8 amended by repealing Section 5-370.

9 Section 99. Effective date. This Section and the changes
10 to Sections 3, 5, and 9.1 of the Illinois Lottery Law take
11 effect upon becoming law. The remainder of this Act takes
12 effect on October 15, 2011."