99TH GENERAL ASSEMBLY
State of Illinois
2015 and 2016

by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

New Act
720 ILCS 5/28-1 from Ch. 38, par. 28-1

Creates the Fantasy Contests Act. Establishes certain requirements for policies and procedures for the operation of fantasy contests. Provides that any person, firm, corporation, association, agent, or employee who violates any provision of the Act shall be liable for a civil penalty of not more than $1,000 for each violation, which may be recovered in a civil action brought by the Attorney General. Amends the Gambling Article of the Criminal Code of 2012. Provides that participants in fantasy contests as defined under the Fantasy Contests Act shall not be convicted of gambling. Effective immediately.

LRB099 15007 AMC 39247 b

FISCAL NOTE ACT
MAY APPLY
AN ACT concerning fantasy contests.

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

Section 1. Short title. This Act may be cited as the Fantasy Contests Act.

Section 5. Definitions. As used in this Act:

"Confidential information" means information related to the play of a fantasy contest by fantasy contest players obtained as a result of or by virtue of a person's employment.

"Fantasy contest" means any fantasy or simulated game or contest in which:

(1) winning participants are eligible to receive cash or anything else of value;

(2) the value of all prizes and awards offered to winning participants are established and made known to the participants in advance of the contest;

(3) all winning outcomes reflect the relative knowledge and skill of the participants and shall be determined predominantly by accumulated statistical results of the performance of individuals, including athletes in the case of sports events; and

(4) no winning outcome is based on the score, point spread, or any performance or performances of any single
actual team or combination of such teams or solely on any
single performance of an individual athlete or player in
any single actual event.

"Fantasy contest operator" means a person or entity that
offers a fantasy contest for a cash or cash equivalent prize to
members of the public.

"Fantasy contest player" means a person who participates in
a fantasy contest offered by a fantasy contest operator.

Section 10. Policies and procedures. A fantasy contest
operator offering fantasy contests in this State shall
implement policies and procedures that are intended to:

(1) prevent employees of the fantasy contest operator
from competing in any fantasy contest offered by a fantasy
contest operator;

(2) prevent sharing of confidential information that
could affect fantasy contest play with third parties until
the information is made publicly available;

(3) have a mechanism in place that is designed to
verify that a fantasy contest player is 18 years of age or
older;

(4) ensure that individuals who participate in a game
or contest that is the subject of a fantasy contest are
restricted from entering a fantasy contest that is
determined, in whole or in part, on the accumulated
statistical results of a team of individuals in the game or
contest in which they are a player;

(5) allow individuals to restrict themselves from entering a fantasy contest upon request and take reasonable steps to prevent those individuals from entering the operator's fantasy contests;

(6) post the number of entries a single fantasy contest player may submit to each fantasy contest and take reasonable steps to prevent players from submitting more than the allowable number;

(7) check for tax liens and child support obligations of greater than $10,000 prior to paying a cash prize to a fantasy contest player of greater than $5,000;

(8) segregate player funds from operational funds and maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, or a bond, or a combination of any of these types, in the amount of the deposits in player accounts for the benefit and protection of authorized fantasy contest players' funds held in fantasy contest accounts;

(9) annually contract with a third party to perform an independent audit, consistent with the standards established by the Public Company Accounting Oversight Board, to ensure compliance with all of the requirements in this Act; and

(10) submit the results of the independent audit to the Office of the Attorney General.
Section 15. Penalties. Any person, firm, corporation, association, agent, or employee who violates any provision of this Act shall be liable for a civil penalty of not more than $1,000 for each such violation, which shall accrue to the State and may be recovered in a civil action brought by the Attorney General.

Section 90. The Criminal Code of 2012 is amended by changing Section 28-1 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)
(Text of Section before amendment by P.A. 99-149)
Sec. 28-1. Gambling.
(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or
sell, at a future time, any grain or other commodity
whatsoever, or any stock or security of any company, where
it is at the time of making such contract intended by both
parties thereto that the contract to buy or sell, or the
option, whenever exercised, or the contract resulting
therefrom, shall be settled, not by the receipt or delivery
of such property, but by the payment only of differences in
prices thereof; however, the issuance, purchase, sale,
exercise, endorsement or guarantee, by or through a person
registered with the Secretary of State pursuant to Section
8 of the Illinois Securities Law of 1953, or by or through
a person exempt from such registration under said Section
8, of a put, call, or other option to buy or sell
securities which have been registered with the Secretary of
State or which are exempt from such registration under
Section 3 of the Illinois Securities Law of 1953 is not
gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or
apparatus by means of which bets or wagers have been, or
are, recorded or registered, or knowingly possesses any
money which he has received in the course of a bet or
wager;

(6) knowingly sells pools upon the result of any game
or contest of skill or chance, political nomination,
appointment or election;

(7) knowingly sets up or promotes any lottery or sells,
offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of
chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6) and (6.1) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators
licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed
establishment, licensed truck stop establishment, licensed
fraternal establishment, or licensed veterans
establishment when conducted in accordance with the Video
Gaming Act.

(13) Games of skill or chance where money or other
things of value can be won but no payment or purchase is
required to participate.

(15) Fantasy contests as defined under the Fantasy
Contests Act.

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent
conviction under subsections (a)(3) through (a)(12), is a Class
4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence
shall have the same validity and weight as in any criminal
prosecution.

(Source: P.A. 97-1108, eff. 1-1-13; 98-644, eff. 6-10-14.)

(Text of Section after amendment by P.A. 99-149)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money
or other thing of value, unless excepted in subsection (b)
of this Section;

(2) knowingly makes a wager upon the result of any
game, contest, or any political nomination, appointment or
election;

(3) knowingly operates, keeps, owns, uses, purchases,
exhibits, rents, sells, bargains for the sale or lease of,
manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or
another the option to buy or sell, or contracts to buy or
sell, at a future time, any grain or other commodity
whatsoever, or any stock or security of any company, where
it is at the time of making such contract intended by both
parties thereto that the contract to buy or sell, or the
option, whenever exercised, or the contract resulting
therefrom, shall be settled, not by the receipt or delivery
of such property, but by the payment only of differences in
prices thereof; however, the issuance, purchase, sale,
exercise, endorsement or guarantee, by or through a person
registered with the Secretary of State pursuant to Section
8 of the Illinois Securities Law of 1953, or by or through
a person exempt from such registration under said Section
8, of a put, call, or other option to buy or sell
securities which have been registered with the Secretary of
State or which are exempt from such registration under
Section 3 of the Illinois Securities Law of 1953 is not
gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or
apparatus by means of which bets or wagers have been, or
are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly
installs or maintains equipment for the transmission or 
receipt of such information; except that nothing in this 
subdivision (11) prohibits transmission or receipt of such 
information for use in news reporting of sporting events or 
contests; or 

(12) knowingly establishes, maintains, or operates an 
Internet site that permits a person to play a game of 
chance or skill for money or other thing of value by means 
of the Internet or to make a wager upon the result of any 
game, contest, political nomination, appointment, or 
election by means of the Internet. This item (12) does not 
apply to activities referenced in items (6) and (6.1) of 
subsection (b) of this Section.

(b) Participants in any of the following activities shall 
not be convicted of gambling:

(1) Agreements to compensate for loss caused by the 
happening of chance including without limitation contracts 
of indemnity or guaranty and life or health or accident 
insurance.

(2) Offers of prizes, award or compensation to the 
actual contestants in any bona fide contest for the 
determination of skill, speed, strength or endurance or to 
the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of 
this State.

(4) Manufacture of gambling devices, including the
acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.
(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(15) Fantasy contests as defined under the Fantasy Contests Act.

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a)(3) through (a)(12), is a Class 4 felony.
(d) Circumstantial evidence.  

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.  

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)  

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.  

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