

AN ACT concerning the lottery.

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

Section 10. The Illinois Lottery Law is amended by changing Section 7.12 and adding Section 14.4 as follows:

(20 ILCS 1605/7.12)

Sec. 7.12. Internet pilot program.

(a) The General Assembly finds that:

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

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

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

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

(b) The Department shall create a pilot program that allows

an individual 18 years of age or older to purchase lottery tickets or shares on the Internet without using a Lottery retailer with on-line status, as those terms are defined by rule. The Department shall restrict the sale of lottery tickets on the Internet to transactions initiated and received or otherwise made exclusively within the State of Illinois. The Department shall adopt rules necessary for the administration of this program. These rules shall include, among other things, requirements for marketing of the Lottery to infrequent players, as well as limitations on the purchases that may be made through any one individual's lottery account. The provisions of this Act and the rules adopted under this Act shall apply to the sale of lottery tickets or shares under this program.

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

The Department is obligated to implement the pilot program set forth in this Section and Sections 7.15 and 7.16 only at such time, and to such extent, that the Department of Justice does not object to the implementation of the program within a

reasonable period of time after its review. While the Illinois Lottery may only offer Lotto, ~~and~~ Mega Millions, and Powerball games through the pilot program, the Department shall request review from the federal Department of Justice for the Illinois Lottery to sell lottery tickets on the Internet on behalf of the State of Illinois that are not limited to just these games.

The Department shall authorize the private manager to implement and administer the program pursuant to the management agreement entered into under Section 9.1 and in a manner consistent with the provisions of this Section. If a private manager has not been selected pursuant to Section 9.1 at the time the Department is obligated to implement the pilot program, then the Department shall not proceed with the pilot program until after the selection of the private manager, at which time the Department shall authorize the private manager to implement and administer the program pursuant to the management agreement entered into under Section 9.1 and in a manner consistent with the provisions of this Section.

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

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

construed as prohibiting the sale of Lotto, Mega Millions, and Powerball games by a lottery licensee pursuant to the Department's rules.

(c) There is created the Internet Lottery Study Committee as an advisory body within the Department. The Department shall conduct a study to determine the impact of the Internet pilot program on lottery licensees. The Department shall also determine the feasibility of the sale of stored value cards by lottery licensees as a non-exclusive option for use by individuals 18 years of age or older who purchase tickets for authorized lottery games in the Internet pilot program. For the purposes of this study, it is anticipated that the stored value cards will have, but need not be limited to, the following characteristics: (1) the cards will be available only to individuals 18 years of age and older; (2) the cards will be rechargeable, closed-loop cards that can only be loaded with cash; (3) the cards will have unique identifying numbers to be used for on-line play; (4) the cards will have on-line play subtracted from the card's value; (5) the cards may have on-line winnings added to them; (6) the cards will be used at Lottery retailers to cash out winnings of up to \$600; and (7) the cards will meet all technological, programming, and security requirements mandated by the Department and the governing bodies of both Mega Millions and Powerball.

To the fullest extent possible, but subject to available resources, the Department shall ensure that the study evaluates

and analyzes at least the following issues:

(1) economic benefits to the State from Internet Lottery sales from stored value cards and from resulting sales taxes;

(2) economic benefits to local governments from sales taxes generated from Internet Lottery sales through stored value cards;

(3) economic benefits to Lottery retailers from Internet Lottery sales and from ancillary retail product sales in connection with the same;

(4) enhanced player age verification from face-to-face interaction;

(5) enhanced control of gambling addiction from face-to-face interaction;

(6) elimination of credit card overspending through the use of stored value cards and resulting reduced debt issues;

(7) the feasibility of the utilization of existing Lottery machines to dispense stored value cards;

(8) the technological, programming, and security requirements to make stored value cards an appropriate sales alternative; and

(9) the cost and project time estimates for implementation, including adaptation of existing Lottery machines, programming, and technology enhancements and impact to operations.

The Study Committee shall consist of the Superintendent or his or her designee; the chief executive officer of the Lottery's private manager or his or her designee; a representative appointed by the Governor's Office; 2 representatives of the lottery licensee community appointed by the Superintendent; one representative of a statewide association representing food retailers appointed by the Superintendent; and one representative of a statewide association representing retail merchants appointed by the Superintendent.

Members of the Study Committee shall be appointed within 30 days after the effective date of this amendatory Act of the 97th General Assembly. No later than 6 months after the effective date of this amendatory Act of the 97th General Assembly, the Department shall provide to the members of the Study Committee the proposed findings and recommendations of the study in order to solicit input from the Study Committee. Within 30 calendar days thereafter, the Study Committee shall convene a meeting of the members to discuss the proposed findings and recommendations of the study. No later than 15 calendar days after meeting, the Study Committee shall submit to the Department any written changes, additions, or corrections the Study Committee wishes the Department to make to the study. The Department shall consider the propriety of and respond to each change, addition, or correction offered by the Study Committee in the study. The Department shall also set

forth any such change, addition, or correction offered by members of the Study Committee and the Department's responses thereto in the appendix to the study. No later than 15 calendar days after receiving the changes, additions, or corrections offered by the Study Committee, the Department shall deliver copies of the final study and appendices, if any, to the Governor, President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, Minority Leader of the House of Representatives, and each of the members of the Study Committee.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840, eff. 12-23-09; 97-464, eff. 10-15-11.)

(20 ILCS 1605/14.4 new)

Sec. 14.4. Investigators.

(a) The Department has the power to appoint investigators to conduct investigations, searches, seizures, arrests, and other duties required to enforce the provisions of this Act and prevent the perpetration of fraud upon the Department or the public. These investigators have and may exercise all the powers of peace officers solely for the purpose of ensuring the integrity of the lottery games operated by the Department.

(b) The Superintendent must authorize to each investigator employed under this Section and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is

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authorized by the Department and (ii) contains a unique identifying number. No other badge shall be authorized by the Department.

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