

104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3276

Introduced 2/18/2025, by Rep. Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.65 new
20 ILCS 1605/9.3
20 ILCS 1605/20
230 ILCS 45/25-15
230 ILCS 45/25-70a new

from Ch. 120, par. 1170

Amends the Sports Wagering Act. Provides for a lottery sports wagering pilot program. Provides that the Department of the Lottery shall implement and administer the lottery sports wagering pilot program no later than June 30, 2025. Provides that every sports lottery terminal offered in this State for play shall first be tested and approved pursuant to the rules of the Department, and each sports lottery terminal offered in this State for play shall conform to an approved model, which shall be ready for play in Illinois within 90 days after the effective date of the amendatory Act and any system testing dates designated by the Department. Provides that lottery games are a part of the private management agreement and competitive bidding process. Provides that sports lottery terminals may be placed in any lottery retailer in the State. Provides that no lottery retailer may cause or permit any person under the age of 21 years to use a sports lottery terminal or sports wagering application. Sets forth provisions concerning definitions, testing, apportionment of revenues, transfer of funds, jurisdiction of the Department, and the purchase or lease of sports lottery terminals. Makes other changes. Amends the Illinois Lottery Law to make conforming changes. Amends the Illinois Administrative Procedure Act to authorize emergency rulemaking. Effective immediately.

LRB104 09923 LNS 19993 b

1 AN ACT concerning gaming.

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

4 Section 5. The Illinois Administrative Procedure Act is
5 amended by adding Section 5-45.65 as follows:

6 (5 ILCS 100/5-45.65 new)

7 Sec. 5-45.65. Emergency rulemaking; lottery sports
8 wagering pilot program. To provide for the expeditious and
9 timely implementation of the lottery sports wagering pilot
10 program, emergency rules implementing the lottery sports
11 wagering pilot program under Section 25-70a of the Sports
12 Wagering Act may be adopted in accordance with Section 5-45 by
13 the Department of the Lottery. The adoption of emergency rules
14 authorized by Section 5-45 and this Section is deemed to be
15 necessary for the public interest, safety, and welfare.

16 This Section is repealed one year after the effective date
17 of this amendatory Act of the 104th General Assembly.

18 Section 10. The Illinois Lottery Law is amended by
19 changing Sections 9.3 and 20 as follows:

20 (20 ILCS 1605/9.3)

21 Sec. 9.3. Expenditure and distribution of lottery

1 proceeds.

2 (a) Beginning July 1, 2022, except as provided in Sections
3 21.4, 21.5, 21.6, 21.7, 21.8, 21.9, 21.10, 21.11, 21.13,
4 21.15, and 21.16 of this Law and Section 25-70a ~~25-70~~ of the
5 Sports Wagering Act, the Department shall distribute all
6 proceeds of lottery tickets and shares sold in the following
7 priority and manner:

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

9 (2) The payment of costs incurred in the operation and
10 administration of the Lottery, including the payment of
11 sums due to the private manager under the management
12 agreement with the Department and including costs of
13 administering the Lottery sports wagering program pursuant
14 to Section 25-70a ~~25-70~~ of the Sports Wagering Act.

15 (3) On the last day of each month or as soon thereafter
16 as possible, the State Comptroller shall direct and the
17 State Treasurer shall transfer from the State Lottery Fund
18 to the Common School Fund the Department's estimate of net
19 lottery proceeds.

20 (4) If an amount in excess of the annual net lottery
21 proceeds is transferred for a fiscal year, then the
22 Department shall offset the monthly transfers of estimated
23 net lottery proceeds during the following fiscal year by
24 that excess amount. If an amount less than the annual net
25 lottery proceeds is transferred for a fiscal year, then
26 after the related annual fiscal year audit is completed

1 following such fiscal year, the Department shall direct
2 the deposit of any remaining annual net lottery proceeds
3 from such fiscal year, subject to payments under
4 paragraphs (1) and (2), into the Common School Fund as
5 soon thereafter as possible.

6 (b) The net lottery proceeds shall be determined by
7 deducting from total annual lottery proceeds the expenditures
8 required by paragraphs (1) and (2) of subsection (a). The
9 total annual lottery proceeds and annual net lottery proceeds
10 shall be determined according to generally accepted accounting
11 principles for governmental entities and verified by an annual
12 fiscal year audit.

13 (Source: P.A. 102-699, eff. 4-19-22; 103-381, eff. 7-28-23.)

14 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

15 Sec. 20. State Lottery Fund.

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

1 shall be credited to the Common School Fund.

2 (a-5) The receipt and distribution of moneys under Section
3 21.4 of this Act shall be in accordance with Section 21.4.

4 (b) The receipt and distribution of moneys under Section
5 21.5 of this Law shall be in accordance with Section 21.5.

6 (c) The receipt and distribution of moneys under Section
7 21.6 of this Law shall be in accordance with Section 21.6.

8 (d) The receipt and distribution of moneys under Section
9 21.7 of this Law shall be in accordance with Section 21.7.

10 (e) The receipt and distribution of moneys under Section
11 21.8 of this Law shall be in accordance with Section 21.8.

12 (f) The receipt and distribution of moneys under Section
13 21.9 of this Law shall be in accordance with Section 21.9.

14 (g) The receipt and distribution of moneys under Section
15 21.10 of this Law shall be in accordance with Section 21.10.

16 (h) The receipt and distribution of moneys under Section
17 21.11 of this Law shall be in accordance with Section 21.11.

18 (i) (Blank).

19 (j) The receipt and distribution of moneys under Section
20 21.13 of this Law shall be in accordance with Section 21.13.

21 (k) The receipt and distribution of moneys under Section
22 25-70a ~~25-70~~ of the Sports Wagering Act shall be in accordance
23 with Section 25-70a ~~25-70~~ of the Sports Wagering Act.

24 (l) The receipt and distribution of moneys under Section
25 21.15 of this Law shall be in accordance with Section 21.15.

26 (m) The receipt and distribution of moneys under Section

1 21.16 of this Law shall be in accordance with Section 21.16.

2 (Source: P.A. 102-16, eff. 6-17-21; 103-381, eff. 7-28-23.)

3 Section 15. The Sports Wagering Act is amended by changing
4 Section 25-15 and by adding Section 25-70a as follows:

5 (230 ILCS 45/25-15)

6 Sec. 25-15. Board duties and powers.

7 (a) Except for sports wagering conducted under Section
8 25-70a ~~25-70~~, the Board shall have the authority to regulate
9 the conduct of sports wagering under this Act.

10 (b) The Board may adopt any rules the Board considers
11 necessary for the successful implementation, administration,
12 and enforcement of this Act, except for Section 25-70a ~~25-70~~.
13 Rules proposed by the Board may be adopted as emergency rules
14 pursuant to Section 5-45 of the Illinois Administrative
15 Procedure Act.

16 (c) The Board shall levy and collect all fees, surcharges,
17 civil penalties, and monthly taxes on adjusted gross sports
18 wagering receipts imposed by this Act and deposit all moneys
19 into the Sports Wagering Fund, except as otherwise provided
20 under this Act.

21 (d) The Board may exercise any other powers necessary to
22 enforce the provisions of this Act that it regulates and the
23 rules of the Board.

24 (e) The Board shall adopt rules for a license to be

1 employed by a master sports wagering licensee when the
2 employee works in a designated gaming area that has sports
3 wagering or performs duties in furtherance of or associated
4 with the operation of sports wagering by the master sports
5 wagering licensee (occupational license), which shall require
6 an annual license fee of \$250. However, occupational licenses
7 issued under the Illinois Gambling Act for employees of an
8 owners license or organization gaming licensee, once granted,
9 are considered equivalent licenses to work in sports wagering
10 positions located at the same gaming facility. License fees
11 shall be deposited into the State Gaming Fund and used for the
12 administration of this Act.

13 (f) The Board may require that licensees share, in real
14 time and at the sports wagering account level, information
15 regarding a wagerer, amount and type of wager, the time the
16 wager was placed, the location of the wager, including the
17 Internet protocol address, if applicable, the outcome of the
18 wager, and records of abnormal wagering activity. Information
19 shared under this subsection (f) must be submitted in the form
20 and manner as required by rule. If a sports governing body has
21 notified the Board that real-time information sharing for
22 wagers placed on its sports events is necessary and desirable,
23 licensees may share the same information in the form and
24 manner required by the Board by rule with the sports governing
25 body or its designee with respect to wagers on its sports
26 events subject to applicable federal, State, or local laws or

1 regulations, including, without limitation, privacy laws and
2 regulations. Such information may be provided in anonymized
3 form and may be used by a sports governing body solely for
4 integrity purposes. For purposes of this subsection (f), "real
5 time" ~~"real-time"~~ means a commercially reasonable periodic
6 interval.

7 (g) A master sports wagering licensee, professional sports
8 team, league, or association, sports governing body, or
9 institution of higher education may submit to the Board in
10 writing a request to prohibit a type or form of wagering if the
11 master sports wagering licensee, professional sports team,
12 league, or association, sports governing body, or institution
13 of higher education believes that such wagering by type or
14 form is contrary to public policy, unfair to consumers, or
15 affects the integrity of a particular sport or the sports
16 betting industry. The Board shall grant the request upon a
17 demonstration of good cause from the requester and
18 consultation with licensees. The Board shall respond to a
19 request pursuant to this subsection (g) concerning a
20 particular event before the start of the event or, if it is not
21 feasible to respond before the start of the event, as soon as
22 practicable.

23 (h) The Board and master sports wagering licensees may
24 cooperate with investigations conducted by sports governing
25 bodies or law enforcement agencies, including, but not limited
26 to, providing and facilitating the provision of account-level

1 betting information and audio or video files relating to
2 persons placing wagers.

3 (i) A master sports wagering licensee shall make
4 commercially reasonable efforts to promptly notify the Board
5 any information relating to:

6 (1) criminal or disciplinary proceedings commenced
7 against the master sports wagering licensee in connection
8 with its operations;

9 (2) abnormal wagering activity or patterns that may
10 indicate a concern with the integrity of a sports event or
11 sports events;

12 (3) any potential breach of the relevant sports
13 governing body's internal rules and codes of conduct
14 pertaining to sports wagering that a licensee has
15 knowledge of;

16 (4) any other conduct that corrupts a wagering outcome
17 of a sports event or sports events for purposes of
18 financial gain, including match fixing; and

19 (5) suspicious or illegal wagering activities,
20 including use of funds derived from illegal activity,
21 wagers to conceal or launder funds derived from illegal
22 activity, using agents to place wagers, and using false
23 identification.

24 A master sports wagering licensee shall also make
25 commercially reasonable efforts to promptly report information
26 relating to conduct described in paragraphs (2), (3), and (4)

1 of this subsection (i) to the relevant sports governing body.

2 (Source: P.A. 101-31, eff. 6-28-19; 102-689, eff. 12-17-21;
3 revised 8-13-24.)

4 (230 ILCS 45/25-70a new)

5 Sec. 25-70a. Lottery sports wagering pilot program.

6 (a) As used in this Section:

7 "Central lottery system" means the hardware, software,
8 peripherals, platform, and network components that link and
9 support all required lottery games, programs, and lottery
10 terminals, including, but not limited to, Illinois sports
11 betting games and programs through sports lottery terminals.

12 "Central lottery system provider" means an individual,
13 partnership, corporation, or limited liability company that
14 provides the hardware, software, peripherals, platform, risk
15 management, operations, support services, and network
16 components that link and support all required lottery games
17 and lottery terminals, including, but not limited to, Illinois
18 lottery sports betting games and programs through sports
19 lottery terminals.

20 "Department" means the Department of the Lottery.

21 "Electronic card" means a card purchased from a lottery
22 retailer.

23 "Lottery game" means any game provided for sale or
24 distribution by the Illinois lottery, including, but not
25 limited to, Illinois sports betting games, including those

1 defined in Section 25 of this Act and 11 Ill. Adm. Code Part
2 1900, and programs through sports lottery terminals.

3 "Lottery retailer" means a location licensed by the
4 Department or otherwise eligible for a license to sell lottery
5 tickets or shares, including any licensed retail establishment
6 where alcoholic liquor is drawn, poured, mixed, or otherwise
7 served for consumption on premises, whether the establishment
8 operates on a nonprofit or for-profit basis, any location or
9 establishment that is licensed to operate video gaming
10 terminals, and any other retail food establishment.

11 "Sports lottery systems" means systems provided by the
12 central system provider consisting of sports wagering
13 products, including those defined in Section 25 of this Act
14 and 11 Ill. Adm. Code Part 1900, risk management, operations,
15 and support services.

16 "Sports lottery terminal" means a terminal linked to the
17 central system in which bills or coins are deposited or an
18 electronic card is inserted in order to place wagers on a
19 sports event and lottery offerings and includes sports
20 wagering conducted over the Internet or through mobile
21 applications or another digital platform.

22 (b) Lottery games are a part of the private management
23 agreement and competitive bidding process as set forth in
24 Section 9.1.

25 (c) Every sports lottery terminal offered in this State
26 for play shall first be tested and approved pursuant to the

1 rules of the Department, and each sports lottery terminal
2 offered in this State for play shall conform to an approved
3 model, which shall be ready for play in Illinois within 90 days
4 after the effective date of this amendatory Act of the 104th
5 General Assembly and any system testing dates designated by
6 the Department. For the examination of sports lottery
7 terminals and associated equipment as required by this
8 Section, the central lottery system provider may use the
9 services of one or more independent outside testing
10 laboratories that have been accredited by a national
11 accreditation body and that, in the judgment of the
12 Department, are qualified to perform such examinations. Every
13 sports lottery terminal offered in this State for play must
14 meet minimum standards set by an independent outside testing
15 laboratory approved by the Department.

16 (d) Sports lottery terminals may be placed in any lottery
17 retail location in the State.

18 (e) A sports lottery terminal may not directly dispense
19 coins, cash, tokens, or any other article of exchange or value
20 except for receipt tickets. Tickets shall be dispensed by
21 pressing the ticket dispensing button on the sports lottery
22 terminal at the end of the placement of one's wager or wagers.
23 The ticket shall indicate information as required by the
24 Department.

25 (f) No lottery retailer may cause or permit any person
26 under the age of 21 years to use a sports lottery terminal or

1 sports wagering application. A lottery retailer who knowingly
2 causes or permits a person under the age of 21 years to use a
3 sports lottery terminal or sports wagering application is
4 guilty of a business offense and shall be fined an amount not
5 to exceed \$5,000.

6 (g) A sports lottery terminal shall accept any wagers as
7 determined by rule by the Department, including those defined
8 in Section 25 of this Act and 11 Ill. Adm. Code Part 1900. The
9 payouts for the sports lottery program shall be set by the
10 Department.

11 Of the gross gaming revenue remaining, which is calculated
12 as the gross dollars played minus prizes paid, to be
13 distributed as follows:

14 (1) 30% to the State of Illinois, of which the local
15 municipality shall receive 5%.

16 (2) 20% to the central system provider.

17 (3) The remaining split evenly between the owner and
18 operator of the sports lottery terminal and the lottery
19 retailer.

20 (h) The Department shall have exclusive jurisdiction over
21 and shall supervise all lottery sports wagering operations
22 governed by this Section. The Department shall implement and
23 administer the lottery sports wagering pilot program no later
24 than June 30, 2025. The Department shall have all powers
25 necessary and proper to execute the provisions of this Section
26 fully and effectively, including, but not limited to, the

1 following:

2 (1) To investigate applicants and determine the
3 eligibility of applicants for licenses with a goal of
4 advancing minority business opportunities including
5 lottery retailer ownership of sports lottery terminals.

6 (2) To have jurisdiction and supervision over all
7 lottery sports wagering operations in this State.

8 (3) To adopt rules for the purpose of administering
9 the provisions of this Section and to adopt rules and
10 conditions under which all lottery sports wagering in the
11 State shall be conducted. Such rules are to provide for
12 the prevention of practices detrimental to the public
13 interest and for the best interests of lottery sports
14 wagering, including rules (i) regarding the inspection of
15 such licensees necessary to operate a lottery retailer
16 under any laws or rules applicable to licensees, (ii) to
17 impose penalties for violations of the Act and its rules,
18 (iii) establishing standards for advertising lottery
19 sports wagering, (iv) to effectuate policies that advance
20 minority business ownership and participation in the
21 sports lottery program, and (v) to apportion the total
22 revenues accruing from the lottery sports wagering pilot
23 program for the purchase or lease of the hardware.

24 (i) The Department shall adopt emergency rules to
25 administer this Section in accordance with Section 5-45 of the
26 Illinois Administrative Procedure Act.

1 (j) For the privilege of operating lottery sports wagering
2 under this Section, all proceeds minus net of proceeds
3 returned to players shall be electronically transferred daily
4 or weekly, at the discretion of the Director of the Lottery,
5 into the State Lottery Fund. After amounts owed to the central
6 system provider and licensed agents, as determined by the
7 Department, are paid from the moneys deposited into the State
8 Lottery Fund under this subsection, the remainder shall be
9 transferred on the 15th of each month to the Capital Projects
10 Fund.

11 (k) The Department shall be responsible for facilitating
12 either the purchase or lease of all sports lottery terminals,
13 including facilitating opportunities for minority business
14 lottery retailers to obtain suitable financing. The Department
15 shall allow for any licensed terminal operator under the Video
16 Gaming Act or owners licensee under the Illinois Gambling Act
17 to purchase or lease the sports lottery terminals and shall
18 allow for a lottery retail location to own or lease the sports
19 lottery terminals.

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