



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB4027

Introduced 2/6/2026, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

20 ILCS 1605/7.1	from Ch. 120, par. 1157.1
20 ILCS 1605/7.15	
20 ILCS 1605/7.16	
20 ILCS 1605/9.1	
20 ILCS 1605/10.1	from Ch. 120, par. 1160.1
20 ILCS 1605/10.6	from Ch. 120, par. 1160.6
20 ILCS 1605/19	from Ch. 120, par. 1169
20 ILCS 1605/20	from Ch. 120, par. 1170
20 ILCS 1605/20.1	from Ch. 120, par. 1170.1
20 ILCS 1605/24	from Ch. 120, par. 1174
20 ILCS 1605/27	from Ch. 120, par. 1177
20 ILCS 1605/10.8 rep.	

Amends the Illinois Lottery Law. Removes language providing that the Department of the Lottery shall publish each January in the Illinois Register a list of all game-specific rules, play instructions, directives, operations manuals, brochures, or other game-specific publications issued by the Department during the previous year and instructions concerning how the public may obtain copies of these materials from the Department. Removes language regarding the selection of a private manager for the total management of the Lottery. Removes language providing that moneys in the Department's account shall be deposited by the Department into the Public Treasurers' Investment Pool. Provides that the Department shall make an effort to more directly inform players of the odds of winning prizes by publishing the information for all games on the Department's public website (rather than by requiring all ticket agents to display a placard stating the odds of winning for each game offered by that agent). Requires the Department to make written play instructions available on the Department's public website or by the Department by request (rather than to all players through sales agents licensed to sell game tickets or shares). Allows the Department (rather than the State Treasurer) to contract with any person or corporation to perform financial functions. Allows the State Treasurer to act as an agent of the Department to perform the financial functions. Removes language providing that moneys in the Department's account for paying validated prizes shall be deposited in the Public Treasurer's Investment Pool. Repeals a provision related to a specialty retailers license. Makes other and conforming changes.

LRB104 20451 LNS 33916 b

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Lottery Law is amended by changing
5 Sections 7.1, 7.15, 7.16, 9.1, 10.1, 10.6, 19, 20, 20.1, 24,
6 and 27 as follows:

7 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

8 Sec. 7.1. The Department shall promulgate such rules and
9 regulations governing the establishment and operation of a
10 State lottery as it deems necessary to carry out the purposes
11 of this Act. Such rules and regulations shall be subject to the
12 provisions of The Illinois Administrative Procedure Act. The
13 Department shall issue written game rules, play instructions,
14 directives, operations manuals, brochures, or any other
15 publications necessary to conduct specific games, as
16 authorized by rule by the Department. Any written game rules,
17 play instructions, directives, operations manuals, brochures,
18 or other game publications issued by the Department that
19 relate to a specific lottery game shall be maintained as a
20 public record in the Department's principal office, and made
21 available for public inspection and copying but shall be
22 exempt from the rulemaking procedures of the Illinois
23 Administrative Procedure Act. However, when such written

1 materials contain any policy of general applicability, the
2 Department shall formulate and adopt such policy as a rule in
3 accordance with the provisions of the Illinois Administrative
4 Procedure Act. ~~In addition, the Department shall publish each
5 January in the Illinois Register a list of all game specific
6 rules, play instructions, directives, operations manuals,
7 brochures, or other game specific publications issued by the
8 Department during the previous year and instructions
9 concerning how the public may obtain copies of these materials
10 from the Department.~~

11 (Source: P.A. 97-464, eff. 10-15-11.)

12 (20 ILCS 1605/7.15)

13 Sec. 7.15. Verification for Internet program; security for
14 Internet lottery accounts. The Department must establish a
15 procedure to verify that an individual is 18 years of age or
16 older and that the sale of lottery tickets on the Internet is
17 limited to transactions that are initiated and received or
18 otherwise made exclusively within the State of Illinois,
19 unless the federal Department of Justice indicates that it is
20 legal for the transactions to originate in states other than
21 Illinois. An individual must satisfy the verification
22 procedure before he or she may establish one Internet lottery
23 account and purchase lottery tickets or shares through the
24 Internet ~~pilot~~ program. By rule, the Department shall
25 establish funding procedures for Internet lottery accounts and

1 shall provide a mechanism to prevent the unauthorized use of
2 Internet lottery accounts. If any participant in the ~~pilot~~
3 program violates any provisions of this amendatory Act of the
4 96th General Assembly or rule established by the Department,
5 the participant's winnings shall be forfeited. Such forfeited
6 winnings shall be deposited in the Common School Fund.

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

8 (20 ILCS 1605/7.16)

9 Sec. 7.16. Voluntary self-exclusion program for Internet
10 lottery sales. Any resident, or non-resident if allowed to
11 participate in the ~~pilot~~ program, may voluntarily prohibit
12 themselves from establishing an Internet lottery account. The
13 Department shall incorporate the voluntary self-exclusion
14 program for Internet lottery accounts into any existing
15 self-exclusion program that it operates on the effective date
16 of this amendatory Act of the 96th General Assembly.

17 (Source: P.A. 96-34, eff. 7-13-09.)

18 (20 ILCS 1605/9.1)

19 Sec. 9.1. Private manager and management agreement.

20 (a) As used in this Section:

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

23 "Request for qualifications" means all materials and
24 documents prepared by the Department to solicit the following

1 from offerors:

2 (1) Statements of qualifications.

3 (2) Proposals to enter into a management agreement,
4 including the identity of any prospective vendor or
5 vendors that the offeror intends to initially engage to
6 assist the offeror in performing its obligations under the
7 management agreement.

8 "Final offer" means the last proposal submitted by an
9 offeror in response to the request for qualifications,
10 including the identity of any prospective vendor or vendors
11 that the offeror intends to initially engage to assist the
12 offeror in performing its obligations under the management
13 agreement.

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

17 (b) (Blank). ~~By September 15, 2010, the Governor shall~~
18 ~~select a private manager for the total management of the~~
19 ~~Lottery with integrated functions, such as lottery game~~
20 ~~design, supply of goods and services, and advertising and as~~
21 ~~specified in this Section.~~

22 (c) (Blank). ~~Pursuant to the terms of this subsection, the~~
23 ~~Department shall endeavor to expeditiously terminate the~~
24 ~~existing contracts in support of the Lottery in effect on July~~
25 ~~13, 2009 (the effective date of Public Act 96-37) in~~
26 ~~connection with the selection of the private manager. As part~~

1 ~~of its obligation to terminate these contracts and select the~~
2 ~~private manager, the Department shall establish a mutually~~
3 ~~agreeable timetable to transfer the functions of existing~~
4 ~~contractors to the private manager so that existing Lottery~~
5 ~~operations are not materially diminished or impaired during~~
6 ~~the transition. To that end, the Department shall do the~~
7 ~~following:~~

8 ~~(1) where such contracts contain a provision~~
9 ~~authorizing termination upon notice, the Department shall~~
10 ~~provide notice of termination to occur upon the mutually~~
11 ~~agreed timetable for transfer of functions;~~

12 ~~(2) upon the expiration of any initial term or renewal~~
13 ~~term of the current Lottery contracts, the Department~~
14 ~~shall not renew such contract for a term extending beyond~~
15 ~~the mutually agreed timetable for transfer of functions;~~

16 ~~or~~

17 ~~(3) in the event any current contract provides for~~
18 ~~termination of that contract upon the implementation of a~~
19 ~~contract with the private manager, the Department shall~~
20 ~~perform all necessary actions to terminate the contract on~~
21 ~~the date that coincides with the mutually agreed timetable~~
22 ~~for transfer of functions.~~

23 ~~If the contracts to support the current operation of the~~
24 ~~Lottery in effect on July 13, 2009 (the effective date of~~
25 ~~Public Act 96-34) are not subject to termination as provided~~
26 ~~for in this subsection (c), then the Department may include a~~

1 ~~provision in the contract with the private manager specifying~~
2 ~~a mutually agreeable methodology for incorporation.~~

3 (c-5) The Department shall include provisions in the
4 management agreement whereby the private manager shall, for a
5 fee, and pursuant to a contract negotiated with the Department
6 (the "Employee Use Contract"), utilize the services of current
7 Department employees to assist in the administration and
8 operation of the Lottery. The Department shall be the employer
9 of all such bargaining unit employees assigned to perform such
10 work for the private manager, and such employees shall be
11 State employees, as defined by the Personnel Code. Department
12 employees shall operate under the same employment policies,
13 rules, regulations, and procedures, as other employees of the
14 Department. In addition, neither historical representation
15 rights under the Illinois Public Labor Relations Act, nor
16 existing collective bargaining agreements, shall be disturbed
17 by the management agreement with the private manager for the
18 management of the Lottery.

19 (d) The management agreement with the private manager
20 shall include all of the following:

21 (1) A term not to exceed 10 years, including any
22 renewals.

23 (2) A provision specifying that the Department:

24 (A) shall exercise actual control over all
25 significant business decisions;

26 (A-5) has the authority to direct or countermand

1 operating decisions by the private manager at any
2 time;

3 (B) has ready access at any time to information
4 regarding Lottery operations;

5 (C) has the right to demand and receive
6 information from the private manager concerning any
7 aspect of the Lottery operations at any time; and

8 (D) retains ownership of all trade names,
9 trademarks, and intellectual property associated with
10 the Lottery.

11 (3) A provision imposing an affirmative duty on the
12 private manager to provide the Department with material
13 information and with any information the private manager
14 reasonably believes the Department would want to know to
15 enable the Department to conduct the Lottery.

16 (4) A provision requiring the private manager to
17 provide the Department with advance notice of any
18 operating decision that bears significantly on the public
19 interest, including, but not limited to, decisions on the
20 kinds of games to be offered to the public and decisions
21 affecting the relative risk and reward of the games being
22 offered, so the Department has a reasonable opportunity to
23 evaluate and countermand that decision.

24 (5) A provision providing for compensation of the
25 private manager ~~that may consist of, among other things, a~~
26 ~~fee for services and a performance based bonus as~~

1 ~~consideration for managing the Lottery, including terms~~
2 ~~that may provide the private manager with an increase in~~
3 ~~compensation if Lottery revenues grow by a specified~~
4 ~~percentage in a given year.~~

5 (6) (Blank).

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

9 (8) A provision requiring the private manager to
10 locate its principal office within the State.

11 (8-5) A provision encouraging that, pursuant to
12 Section 4 of the Business Enterprise for Minorities,
13 Women, and Persons with Disabilities Act, ~~at least 20% of~~
14 ~~the cost of~~ contracts entered into for goods and services
15 by the private manager in connection with its management
16 of the Lottery, other than contracts with sales agents or
17 technical advisors, be awarded to businesses that are a
18 minority-owned business, a women-owned business, or a
19 business owned by a person with disability, as those terms
20 are defined in the Business Enterprise for Minorities,
21 Women, and Persons with Disabilities Act.

22 (9) A requirement that so long as the private manager
23 complies with all the conditions of the agreement under
24 the oversight of the Department, the private manager shall
25 have the following duties and obligations with respect to
26 the management of the Lottery:

1 (A) The right to use equipment and other assets
2 used in the operation of the Lottery.

3 (B) The rights and obligations under contracts
4 with retailers and vendors.

5 (C) The implementation of a comprehensive security
6 program by the private manager.

7 (D) The implementation of a comprehensive system
8 of internal audits.

9 (E) The implementation of a program by the private
10 manager to curb compulsive gambling by persons playing
11 the Lottery.

12 (F) A system for determining (i) the type of
13 Lottery games, (ii) the method of selecting winning
14 tickets, (iii) the manner of payment of prizes to
15 holders of winning tickets, (iv) the frequency of
16 drawings of winning tickets, (v) the method to be used
17 in selling tickets, (vi) a system for verifying the
18 validity of tickets claimed to be winning tickets,
19 (vii) the basis upon which retailer commissions are
20 established by the manager, and (viii) minimum
21 payouts.

22 (10) A requirement that advertising and promotion must
23 be consistent with Section 7.8a of this Act.

24 (11) A requirement that the private manager market the
25 Lottery to those residents who are new, infrequent, or
26 lapsed players of the Lottery, especially those who are

1 most likely to make regular purchases on the Internet as
2 permitted by law.

3 (12) A code of ethics for the private manager's
4 officers and employees.

5 (13) A requirement that the Department monitor and
6 oversee the private manager's practices and take action
7 that the Department considers appropriate to ensure that
8 the private manager is in compliance with the terms of the
9 management agreement, while allowing the manager, unless
10 specifically prohibited by law or the management
11 agreement, to negotiate and sign its own contracts with
12 vendors.

13 (14) A provision requiring the private manager to
14 periodically file, at least on an annual basis,
15 appropriate financial statements in a form and manner
16 acceptable to the Department.

17 (15) Cash reserves requirements.

18 (16) Procedural requirements for obtaining the prior
19 approval of the Department when a management agreement or
20 an interest in a management agreement is sold, assigned,
21 transferred, or pledged as collateral to secure financing.

22 (17) Grounds for the termination of the management
23 agreement by the Department or the private manager.

24 (18) Procedures for amendment of the agreement.

25 (19) A provision requiring the private manager to
26 engage in an open and competitive bidding process for any

1 procurement having a cost in excess of the small purchase
2 limits under Section 20-20 of the Illinois Procurement
3 Code \$50,000 that is not a part of the private manager's
4 final offer. The process shall favor the selection of a
5 vendor deemed to have submitted a proposal that provides
6 the Lottery with the best overall value. The process shall
7 not be subject to the provisions of the Illinois
8 Procurement Code, unless specifically required by the
9 management agreement.

10 (20) The transition of rights and obligations,
11 including any associated equipment or other assets used in
12 the operation of the Lottery, from the manager to any
13 successor manager of the lottery, including the
14 Department, following the termination of or foreclosure
15 upon the management agreement.

16 (21) Right of use of copyrights, trademarks, and
17 service marks held by the Department in the name of the
18 State. The agreement must provide that any use of them by
19 the manager shall only be for the purpose of fulfilling
20 its obligations under the management agreement during the
21 term of the agreement.

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

26 (e) Notwithstanding any other law to the contrary, the

1 Department shall select a private manager through a
2 competitive request for qualifications process consistent with
3 Section 20-35 of the Illinois Procurement Code, which shall
4 take into account:

5 (1) the offeror's ability to market the Lottery to
6 those residents who are new, infrequent, or lapsed players
7 of the Lottery, especially those who are most likely to
8 make regular purchases on the Internet;

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

12 (3) the offeror's ability to provide the most
13 successful management of the Lottery for the benefit of
14 the people of the State based on current and past business
15 practices or plans of the offeror; and

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

21 (f) The Department may retain the services of an advisor
22 or advisors with significant experience in financial services
23 or the management, operation, and procurement of goods,
24 services, and equipment for a government-run lottery to assist
25 in the preparation of the terms of the request for
26 qualifications and selection of the private manager. Any

1 prospective advisor seeking to provide services under this
2 subsection (f) shall disclose any material business or
3 financial relationship during the past 3 years with any
4 potential offeror, or with a contractor or subcontractor
5 presently providing goods, services, or equipment to the
6 Department to support the Lottery. The Department shall
7 evaluate the material business or financial relationship of
8 each prospective advisor. The Department shall not select any
9 prospective advisor with a substantial business or financial
10 relationship that the Department deems to impair the
11 objectivity of the services to be provided by the prospective
12 advisor. During the course of the advisor's engagement by the
13 Department, and for a period of one year thereafter, the
14 advisor shall not enter into any business or financial
15 relationship with any offeror or any vendor identified to
16 assist an offeror in performing its obligations under the
17 management agreement. Any advisor retained by the Department
18 shall be disqualified from being an offeror. The Department
19 shall not include terms in the request for qualifications that
20 provide a material advantage whether directly or indirectly to
21 any potential offeror, or any contractor or subcontractor
22 presently providing goods, services, or equipment to the
23 Department to support the Lottery, including terms contained
24 in previous responses to requests for proposals or
25 qualifications submitted to Illinois, another State or foreign
26 government when those terms are uniquely associated with a

1 particular potential offeror, contractor, or subcontractor.
2 ~~The request for proposals offered by the Department on~~
3 ~~December 22, 2008 as "LOT08GAMESYS" and reference number~~
4 ~~"22016176" is declared void.~~

5 (g) ~~The Department shall select at least 2 offerors as~~
6 ~~finalists to potentially serve as the private manager no later~~
7 ~~than August 9, 2010.~~ Upon making preliminary selections, the
8 Department shall schedule a public hearing on the finalists'
9 proposals and provide public notice of the hearing at least 7
10 calendar days before the hearing. The notice must include all
11 of the following:

12 (1) The date, time, and place of the hearing.

13 (2) The subject matter of the hearing.

14 (3) A brief description of the management agreement to
15 be awarded.

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

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

20 (h) At the public hearing, the Department shall (i)
21 provide sufficient time for each finalist to present and
22 explain its proposal to the Department and the Governor or the
23 Governor's designee, including an opportunity to respond to
24 questions posed by the Department, Governor, or designee and
25 (ii) allow the public and non-selected offerors to comment on
26 the presentations. The Governor or a designee shall attend the

1 public hearing. After the public hearing, the Department shall
2 have 14 calendar days to recommend to the Governor whether a
3 management agreement should be entered into with a particular
4 finalist. After reviewing the Department's recommendation, the
5 Governor may accept or reject the Department's recommendation,
6 and shall select a final offeror as the private manager by
7 publication of a notice in the Illinois Procurement Bulletin
8 ~~on or before September 15, 2010~~. The Governor shall include in
9 the notice a detailed explanation and the reasons why the
10 final offeror is superior to other offerors and will provide
11 management services in a manner that best achieves the
12 objectives of this Section. The Governor shall also sign the
13 management agreement with the private manager.

14 (i) Any action to contest the private manager selected by
15 the Governor under this Section must be brought within 7
16 calendar days after the publication of the notice of the
17 designation of the private manager as provided in subsection
18 (h) of this Section.

19 (j) The Lottery shall remain, for so long as a private
20 manager manages the Lottery in accordance with provisions of
21 this Act, a Lottery conducted by the State, and the State shall
22 not be authorized to sell or transfer the Lottery to a third
23 party.

24 (k) Any tangible personal property used exclusively in
25 connection with the lottery that is owned by the Department
26 and leased to the private manager shall be owned by the

1 Department in the name of the State and shall be considered to
2 be public property devoted to an essential public and
3 governmental function.

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

7 (m) Neither this Section nor any management agreement
8 entered into under this Section prohibits the General Assembly
9 from authorizing forms of gambling that are not in direct
10 competition with the Lottery. The forms of gambling authorized
11 by Public Act 101-31 constitute authorized forms of gambling
12 that are not in direct competition with the Lottery.

13 (n) The private manager shall be subject to a complete
14 investigation in the third, seventh, and tenth years of the
15 agreement (if the agreement is for a 10-year term) by the
16 Department in cooperation with the Auditor General to
17 determine whether the private manager has complied with this
18 Section and the management agreement. The private manager
19 shall bear the cost of an investigation or reinvestigation of
20 the private manager under this subsection.

21 (o) The powers conferred by this Section are in addition
22 and supplemental to the powers conferred by any other law. If
23 any other law or rule is inconsistent with this Section,
24 including, but not limited to, provisions of the Illinois
25 Procurement Code, then this Section controls as to any
26 management agreement entered into under this Section. This

1 Section and any rules adopted under this Section contain full
2 and complete authority for a management agreement between the
3 Department and a private manager. No law, procedure,
4 proceeding, publication, notice, consent, approval, order, or
5 act by the Department or any other officer, Department,
6 agency, or instrumentality of the State or any political
7 subdivision is required for the Department to enter into a
8 management agreement under this Section. This Section contains
9 full and complete authority for the Department to approve any
10 contracts entered into by a private manager with a vendor
11 providing goods, services, or both goods and services to the
12 private manager under the terms of the management agreement,
13 including subcontractors of such vendors.

14 Upon receipt of a written request from the Chief
15 Procurement Officer, the Department shall provide to the Chief
16 Procurement Officer a complete and un-redacted copy of the
17 management agreement or any contract that is subject to the
18 Department's approval authority under this subsection (o). The
19 Department shall provide a copy of the agreement or contract
20 to the Chief Procurement Officer in the time specified by the
21 Chief Procurement Officer in his or her written request, but
22 no later than 5 business days after the request is received by
23 the Department. The Chief Procurement Officer must retain any
24 portions of the management agreement or of any contract
25 designated by the Department as confidential, proprietary, or
26 trade secret information in complete confidence pursuant to

1 subsection (g) of Section 7 of the Freedom of Information Act.
2 The Department shall also provide the Chief Procurement
3 Officer with reasonable advance written notice of any contract
4 that is pending Department approval.

5 Notwithstanding any other provision of this Section to the
6 contrary, the Chief Procurement Officer shall adopt
7 administrative rules, including emergency rules, to establish
8 a procurement process to select a successor private manager if
9 a private management agreement has been terminated. The
10 selection process shall at a minimum take into account the
11 criteria set forth in items (1) through (4) of subsection (e)
12 of this Section and may include provisions consistent with
13 subsections (f), (g), (h), and (i) of this Section. The Chief
14 Procurement Officer shall also implement and administer the
15 adopted selection process upon the termination of a private
16 management agreement. The Department, after the Chief
17 Procurement Officer certifies that the procurement process has
18 been followed in accordance with the rules adopted under this
19 subsection (o), shall select a final offeror as the private
20 manager and sign the management agreement with the private
21 manager.

22 Through June 30, 2022, except as provided in Sections
23 21.5, 21.6, 21.7, 21.8, 21.9, 21.10, 21.11, 21.12, and 21.13
24 of this Act and Section 25-70 of the Sports Wagering Act, the
25 Department shall distribute all proceeds of lottery tickets
26 and shares sold in the following priority and manner:

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

2 (2) The payment of costs incurred in the operation and
3 administration of the Lottery, including the payment of
4 sums due to the private manager under the management
5 agreement with the Department.

6 (3) On the last day of each month or as soon thereafter
7 as possible, the State Comptroller shall direct and the
8 State Treasurer shall transfer from the State Lottery Fund
9 to the Common School Fund an amount that is equal to the
10 proceeds transferred in the corresponding month of fiscal
11 year 2009, as adjusted for inflation, to the Common School
12 Fund.

13 (4) On or before September 30 of each fiscal year,
14 deposit any estimated remaining proceeds from the prior
15 fiscal year, subject to payments under items (1), (2), and
16 (3), into the Capital Projects Fund. Beginning in fiscal
17 year 2019, the amount deposited shall be increased or
18 decreased each year by the amount the estimated payment
19 differs from the amount determined from each year-end
20 financial audit. Only remaining net deficits from prior
21 fiscal years may reduce the requirement to deposit these
22 funds, as determined by the annual financial audit.

23 Beginning July 1, 2022, the Department shall distribute
24 all proceeds of lottery tickets and shares sold in the manner
25 and priority described in Section 9.3 of this Act, except that
26 the Department shall make the deposit into the Capital

1 Projects Fund that would have occurred under item (4) of this
2 subsection (o) on or before September 30, 2022, but for the
3 changes made to this subsection by Public Act 102-699.

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

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

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

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

24 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
25 101-561, eff. 8-23-19; 102-558, eff. 8-20-21; 102-699, eff.
26 4-19-22; 102-1115, eff. 1-9-23.)

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
6 gambler or gambling promoter;

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

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

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

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

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

19 (h) any organization in which a person defined in item
20 ~~(a), (b), (c), (d),~~ or (e) is to participate in the
21 management or sales 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

1 the sentence for the most recent such conviction was
2 satisfactorily completed;

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

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

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

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

23 (Source: P.A. 97-464, eff. 10-15-11.)

24 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

25 Sec. 10.6. The Department shall make an effort to more

1 directly inform players of the odds of winning prizes by
2 publishing the information for all games on the Department's
3 public website. ~~This effort shall include, at a minimum, that~~
4 ~~the Department require all ticket agents to display a placard~~
5 ~~stating the odds of winning for each game offered by that~~
6 ~~agent.~~

7 (Source: P.A. 97-464, eff. 10-15-11.)

8 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

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

24 If no claim is made for the money within the established
25 claim period, the prize may be included in the prize pool of

1 such special drawing or drawings as the Department may, from
2 time to time, designate. Unclaimed multi-state game prize
3 money may be included in the multi-state prize pool for such
4 special drawing or drawings as the multi-state game directors
5 may, from time to time, designate. Any bonuses offered by the
6 Department to sales agents who sell winning tickets or shares
7 shall be payable to such agents regardless of whether or not
8 the prize money on the ticket or share is claimed, provided
9 that the agent can be identified as the vendor of the winning
10 ticket or share, and that the winning ticket or share was sold
11 on or after January 1, 1984. All unclaimed prize money not
12 included in the prize pool of a special drawing shall be
13 transferred to the Common School Fund.

14 (Source: P.A. 97-464, eff. 10-15-11; 98-499, eff. 8-16-13.)

15 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

16 Sec. 20. State Lottery Fund.

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

1 other fund or source pursuant to law. Interest earnings of the
2 State Lottery Fund shall be credited to the Common School
3 Fund.

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

6 (b) The receipt and distribution of moneys under Section
7 21.5 of this Law shall be in accordance with Section 21.5.

8 (c) The receipt and distribution of moneys under Section
9 21.6 of this Law shall be in accordance with Section 21.6.

10 (d) The receipt and distribution of moneys under Section
11 21.7 of this Law shall be in accordance with Section 21.7.

12 (e) The receipt and distribution of moneys under Section
13 21.8 of this Law shall be in accordance with Section 21.8.

14 (f) The receipt and distribution of moneys under Section
15 21.9 of this Law shall be in accordance with Section 21.9.

16 (g) The receipt and distribution of moneys under Section
17 21.10 of this Law shall be in accordance with Section 21.10.

18 (h) The receipt and distribution of moneys under Section
19 21.11 of this Law shall be in accordance with Section 21.11.

20 (i) (Blank).

21 (j) The receipt and distribution of moneys under Section
22 21.13 of this Law shall be in accordance with Section 21.13.

23 (k) The receipt and distribution of moneys under Section
24 25-70 of the Sports Wagering Act shall be in accordance with
25 Section 25-70 of the Sports Wagering Act.

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

1 21.15 of this Law shall be in accordance with Section 21.15.

2 (m) The receipt and distribution of moneys under Section
3 21.16 of this Law shall be in accordance with Section 21.16.

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

5 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

6 Sec. 20.1. Department account.

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

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

15 (Source: P.A. 97-464, eff. 10-15-11; 98-499, eff. 8-16-13.)

16 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

17 Sec. 24. The State Comptroller shall conduct a preaudit of
18 all accounts and transactions of the Department in connection
19 with the operation of the State Lottery under the State
20 Comptroller Act, excluding payments issued by the Department
21 for prizes ~~of \$25,000 or less.~~

22 The Auditor General or a certified public accountant firm
23 appointed by him shall conduct an annual post-audit of all
24 accounts and transactions of the Department in connection with
25 the operation of the State Lottery and other special post

1 audits as the Auditor General, the Legislative Audit
2 Commission, or the General Assembly deems necessary. The
3 annual post-audits shall include payments made by lottery
4 sales agents of prizes of ~~less than~~ \$600 or less authorized
5 under Section 20, and payments made by the Department of
6 prizes ~~up to \$25,000~~ authorized under Section 20.1. The
7 Auditor General or his agent conducting an audit under this
8 Act shall have access and authority to examine any and all
9 records of the Department or the Board, its distributing
10 agents and its licensees.

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

12 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

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

23 (b) All proceeds from investments made pursuant to
24 contracts executed by the Department or the State Treasurer,
25 with the consent of the Director, to perform financial

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

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

13 This Act shall constitute an irrevocable appropriation of
14 all amounts necessary for that purpose, and the irrevocable
15 and continuing authority for and direction to the Director and
16 the State Treasurer to make the necessary payments out of such
17 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
10 the claim period established by game rule, then the securities
11 or 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 Director may use a portion of the moneys in the
16 Deferred Lottery Prize Winners Trust Fund to purchase bonds to
17 pay a lifetime prize if the prize duration exceeds the length
18 of available securities. If the winner of a lifetime prize
19 exceeds his or her life expectancy as determined using
20 actuarial assumptions and the securities or moneys set aside
21 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 Director may request that
25 the State Comptroller transfer any excess moneys in the
26 Deferred Lottery Prize Winners Trust Fund to the State 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. 97-464, eff. 10-15-11; 98-463, eff. 8-16-13;
5 98-499, eff. 8-16-13.)

6 (20 ILCS 1605/10.8 rep.)

7 Section 10. The Illinois Lottery Law is amended by
8 repealing Section 10.8.