



Rep. Kevin A. McCarthy

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LRB095 01066 HLH 51732 a

1 AMENDMENT TO HOUSE BILL 2093

2 AMENDMENT NO. _____. Amend House Bill 2093 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Lottery Law is amended by changing
5 Sections 2, 3, 4, 5, 6, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.8,
6 7.8a, 7.11, 8, 8.1, 9, 10, 10.1, 10.1a, 10.2, 10.3, 10.4, 10.5,
7 10.6, 10.7, 11, 12, 13, 14, 14.2, 14.3, 15, 16, 17, 19, 20, 21,
8 21.2, 21.3, 21.5, 24, 25, 26, 27, and 28 and by adding Sections
9 2.1, 2.2, 2.3, 6.1, and 20.2 as follows:

10 (20 ILCS 1605/2) (from Ch. 120, par. 1152)

11 Sec. 2. This Act is enacted to implement and establish
12 within the State a lottery to be conducted ~~operated~~ by the
13 State, through the Department, whether that lottery is operated
14 and managed by the State or by a third party pursuant to a
15 Management and Concession Agreement. The operations of a
16 lottery are unique activities for State government, and private

1 management will best enable the lottery to be operated in an
2 entrepreneurial and business-like manner, thereby maximizing
3 value for and benefit to the citizens of the State. Any such
4 private manager shall be accountable to the State through a
5 comprehensive system of State regulation and enduring
6 operational oversight. The State's ongoing conduct of the
7 Lottery throughout the term of a Concession shall act to
8 promote and ensure the integrity, security, honesty, and
9 fairness of the Lottery's operation and administration. ~~the~~
10 ~~entire net proceeds of which are to be used for the support of~~
11 ~~the State's Common School Fund, except as provided in Sections~~
12 ~~21.2, 21.5, 21.6, and 21.7, and 21.7.~~

13 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
14 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.
15 10-11-07; revised 12-5-07.)

16 (20 ILCS 1605/2.1 new)

17 Sec. 2.1. Sale of Lottery prohibited. Notwithstanding any
18 provision of this Act or other applicable law to the contrary,
19 the State may, pursuant to a competitive process, enter into a
20 Management and Concession Agreement with a third party pursuant
21 to which that party may be authorized to manage or operate the
22 Lottery on behalf of the State, and further pursuant to which
23 that party may receive certain Lottery revenues in
24 consideration of the payment of a fee or fees to the State for
25 that right, provided that the Concession is managed and

1 operated in accordance with the provisions of this Act and that
2 the State at all times retains control of the Lottery and
3 exercises supervisory authority over the Concession sufficient
4 to implement the terms of the Management and Concession
5 Agreement and to effect the purposes of this Act. The Lottery
6 shall remain, for so long as a Concessionaire manages and
7 operates the Concession in accordance with provisions of this
8 Act, a Lottery conducted by the State, and the State shall not
9 be authorized to sell or transfer the Lottery to a third party.

10 The terms of a Management and Concession Agreement shall
11 include, without limitation, all of the following:

12 (a) The term of the Concession shall be no less than 50
13 years and shall not exceed 60 years, with extensions of up
14 to 5 additional years.

15 (b) The consideration paid to the State for a
16 Concessionaire's right to manage and operate the
17 Concession shall have a value not less than
18 \$10,000,000,000.

19 (c) At least 19% of the value of all contracts and
20 agreements entered into by the Concessionaire for goods and
21 services in connection with its management and operation of
22 the Lottery, other than contracts or agreements with sales
23 agents or technical operators, must be awarded to
24 businesses that are a "minority owned business", a "female
25 owned business", or a business owned by a person with a
26 disability as those terms are defined in the Business

1 Enterprise for Minorities, Females, and Persons with
2 Disabilities Act. For purposes of this item (c), all
3 contracts entered into by a technical operator shall be
4 deemed to be contracts entered by the Concessionaire. A
5 contract by which the Concessionaire retains a technical
6 operator shall be exempt from the requirements of this item
7 (c). For purposes of this item (c), a technical operator
8 means an entity that, pursuant to the terms of this
9 amendatory Act of the 95th General Assembly and the
10 Concession Agreement, is substantially involved in the
11 day-to-day operations of the Lottery in a manner that
12 includes (i) the design and production of lottery games or
13 lottery game equipment, or (ii) the provision and
14 maintenance of lottery equipment, or (iii) the operation
15 and monitoring of lottery games or other regulated gaming
16 activities, or (iv) the development and maintenance of a
17 distribution network, or (v) the verification of game
18 outcomes, or an entity responsible for other significant
19 regulated gaming activities.

20 (d) The State shall at all times during which a
21 Management and Concession Agreement is in effect retain the
22 right to receive an amount equal to 20% of Lottery gross
23 revenues, less prize payouts.

24 (e) The minimum payout ratios with respect to instant
25 Lottery games and online Lottery games, as defined in the
26 Management and Concession Agreement, shall be in the

1 aggregate at least 55% of all ticket revenues attributable
2 to such instant Lottery games and online Lottery games.

3 The Director is authorized to enter into a Management and
4 Concession Agreement on behalf of the State on the foregoing
5 terms and such other terms as the Director shall determine,
6 consistent with this amendatory Act of the 95th General
7 Assembly. All of the acts of officials authorized by the State
8 that are in conformity with the intent and purposes of this
9 amendatory Act of the 95th General Assembly, whether heretofore
10 or hereafter taken or done, shall be and are ratified,
11 confirmed, authorized, and approved hereby in all respects. To
12 the extent any provision of the Illinois Procurement Code (30
13 ILCS 500/) or any other law is in conflict with this amendatory
14 Act of the 95th General Assembly insofar as it relates to any
15 Transaction Documents, the provisions of this amendatory Act
16 shall be controlling.

17 The Director, and such State officers as may be designated
18 by the Director, are authorized to execute and deliver on
19 behalf of the State any and all documents as the executing
20 State officer shall deem appropriate in connection with the
21 State entering into or performing its obligations under the
22 Transaction Documents and to do all such other acts and things
23 as may be necessary, advisable, or appropriate to carry out,
24 and perform the State's obligations under the Transaction
25 Documents.

26 The State shall offer continued employment at the same or

1 equivilant job classification for Department employees
2 affected by the Concession of the Illinois State Lottery. The
3 new position must be in the same county, or an adjacent county,
4 as the employee's position at the time of the Concession. The
5 Department of Central Management Services shall assist all
6 affected employees in identifying other State positions for
7 which they may be qualified. Personnel transactions for these
8 affected employees shall be processed in accordance with
9 applicable personnel rules, but shall supersede otherwise
10 applicable bargaining unit agreements.

11 (20 ILCS 1605/2.2 new)

12 Sec. 2.2. Proceeds of concession transaction and future
13 proceeds payable to the State under a Management and Concession
14 Agreement; payment of transaction costs; deposit of proceeds
15 into Funds. After the payment of all transaction-related costs,
16 in one or a series of transactions: (i) proceeds of the
17 Concession transaction or transactions authorized pursuant to
18 this amendatory Act of the 95th General Assembly shall be
19 deposited into the Illinois Works Fund in an amount not to
20 exceed \$7,000,000,000, (ii) all proceeds of the Concession
21 transaction or transactions authorized pursuant to this
22 amendatory Act of the 95th General Assembly in excess of
23 \$7,000,000,000 but not greater than \$11,000,000,000 shall be
24 deposited into the Illinois Education Trust Fund, and (iii) all
25 proceeds of the Concession transaction or transactions

1 authorized pursuant to this amendatory Act of the 95th General
2 Assembly in excess of \$11,000,000,000 shall be deposited in
3 equal parts into the Long-Term Care Provider Fund, the Drug
4 Rebate Fund, and the Hospital Provider Fund to pay outstanding
5 medical assistance bills.

6 (20 ILCS 1605/2.3 new)

7 Sec. 2.3. Creation of the Illinois Education Trust Fund;
8 State Treasurer's investment of moneys. There is created in the
9 State Treasury the Illinois Education Trust Fund. The State
10 Treasurer is hereby authorized to and shall invest all moneys
11 deposited into the Illinois Education Trust Fund pursuant to
12 this amendatory Act of the 95th General Assembly such that
13 these funds shall accrue a return on investment of at least 5%
14 per annum, using debt instruments or securities that are either
15 (i) issued by a counterparty with a credit rating of Aa3 or
16 higher by Moody's Investor Services or AA- or higher by
17 Standard & Poor's or (ii) enhanced and bear a credit rating of
18 Aa3 or higher by Moody's Investor Services or AA- or higher by
19 Standard & Poor's.

20 Notwithstanding any other State law to the contrary, on or
21 before the last day of each fiscal year the State Comptroller
22 shall direct and the State Treasurer shall transfer from the
23 Illinois Education Trust Fund to the State Lottery Fund the
24 amount necessary to provide for the transfer of \$600,000,000 in
25 that fiscal year from the State Lottery Fund to the Common

1 School Fund in accordance with the provisions of Section 20.2
2 of this Act.

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

4 Sec. 3. Definitions. For the purposes of this Act:

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

7 b. "Board" means the Lottery Control Board created by this
8 Act.

9 c. "Department" means the Department of Revenue.

10 d. "Director" means the Director of Revenue.

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

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

17 g. "Division" means the Division of the State Lottery of
18 the Department of Revenue.

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

21 i. "Concession" means the right of a Concessionaire to
22 manage or operate the Lottery pursuant to the terms of a
23 Management and Concession Agreement and this Act.

24 j. "Management and Concession Agreement" means that
25 agreement and all schedules, exhibits, and attachments

1 thereto, entered into pursuant to a competitive process and
2 pursuant to which the State may grant a license or other
3 contractual right to manage or operate the Lottery to a
4 Concessionaire, and further pursuant to which a Concessionaire
5 may receive certain Lottery ticket or share sales and related
6 proceeds in consideration of the payment of a fee or fees to
7 the State.

8 k. "Concessionaire" means a third party that manages or
9 operates the Lottery pursuant to a Management and Concession
10 Agreement then in effect.

11 l. "Conducted by the State" means the management and
12 operation of the Lottery pursuant to the terms of this Act,
13 whether directly by the State or by a Concessionaire pursuant
14 to the terms of a Management and Concession Agreement as
15 provided for in this amendatory Act of the 95th General
16 Assembly. The Concessionaire shall at all times remain
17 accountable to the State and the people of the State through a
18 comprehensive system of State regulation and enduring
19 operational oversight, which shall include, without
20 limitation, the Concessionaire's regular provision and the
21 State's ongoing review and analysis of audits, reports, and
22 financial disclosures as required by this amendatory Act of the
23 95th General Assembly.

24 m. "Transaction Documents" means all documents drafted,
25 prepared, or composed in connection with the Management and
26 Concession Agreement, including but not limited to all

1 documents reflecting or relating to any solicitation or
2 presolicitation activities the State may have undertaken
3 regarding a possible Concession.

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

5 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

6 Sec. 4. Department established. The Department of the
7 Lottery is established to implement and regulate the State
8 Lottery in the manner provided in this Act.

9 In accordance with Executive Order No. 9 (2003), the
10 Division of the State Lottery is established within the
11 Department of Revenue. Unless otherwise provided by law, the
12 Division of the State Lottery shall be subject to and governed
13 by all of the laws and rules applicable to the Department.

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

15 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

16 Sec. 5. Superintendent. The Division shall be under the
17 supervision and direction of a Superintendent, who shall be a
18 person qualified by training and experience to perform the
19 duties required by this Act. The Superintendent shall be
20 appointed by the Governor, by and with the advice and consent
21 of the Senate. The term of office of the Superintendent shall
22 expire on the third Monday of January in odd numbered years
23 provided that he or she shall hold office until a successor is
24 appointed and qualified.

1 Any vacancy occurring in the office of the Superintendent
2 shall be filled in the same manner as the original appointment.

3 The Superintendent shall devote his or her entire time and
4 attention to the duties of the office and shall not be engaged
5 in any other profession or occupation. The Superintendent shall
6 receive such salary as shall be provided by law.

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

8 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

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

20 Initial members shall be appointed to the Board by the
21 Governor as follows: one member to serve until July 1, 1974,
22 and until his successor is appointed and qualified; 2 members
23 to serve until July 1, 1975, and until their successors are
24 appointed and qualified; 2 members to serve until July 1, 1976,
25 and until their successors are appointed and qualified. As

1 terms of members so appointed expire, their successors shall be
2 appointed for terms to expire the first day in July 3 years
3 thereafter, and until their successors are appointed and
4 qualified.

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

8 Any member of the Board may be removed by the Governor for
9 neglect of duty, misfeasance, malfeasance, or nonfeasance in
10 office.

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

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

25 Three members of the Board shall constitute a quorum, and 3
26 votes shall be required for any final determination by the

1 Board. The Board shall keep a complete and accurate record of
2 all its meetings.

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

4 (20 ILCS 1605/6.1 new)

5 Sec. 6.1. Lottery Control Board's Authorization to
6 Implement the Act and Oversee Concession. The term of each
7 appointed member of the Board who is in office on May 31, 2008
8 shall terminate at the close of business on that date or when
9 all of the new members to be initially appointed under this
10 amendatory Act of the 95th General Assembly have been appointed
11 by the Governor, whichever occurs later.

12 Beginning on June 1, 2008 or when all of the new members of
13 the Board to be initially appointed under this amendatory Act
14 of the 95th General Assembly have been appointed by the
15 Governor, whichever occurs later, the Board shall consist of 7
16 members, all of whom shall be citizens of the United States and
17 residents of this State and shall be appointed by the Governor
18 with the advice and consent of the Senate. No more than 4 of
19 the 7 members shall be members of the same political party. A
20 chairman of the Board shall be chosen annually from the
21 membership of the Board by a majority of the members of the
22 Board at the first meeting of the Board each fiscal year.

23 Members shall be appointed to the Board by the Governor as
24 follows: 2 members to serve until July 1, 2009, and until their
25 successors are appointed and qualified; 2 members to serve

1 until July 1, 2010, and until their successors are appointed
2 and qualified; 3 members to serve until July 1, 2011, and until
3 their successors are appointed and qualified. As terms of
4 members so appointed expire, their successors shall be
5 appointed for terms to expire the first day in July 3 years
6 thereafter, and until their successors are appointed and
7 qualified. Members of the Board serving prior to the effective
8 date of this amendatory Act of the 95th General Assembly shall
9 be discharged of their duties and replaced by members appointed
10 pursuant to this Section in the sequence in which those prior
11 serving members were appointed.

12 Any vacancy in the Board occurring for any reason other
13 than expiration of term shall be filled for the unexpired term
14 in the same manner as the original appointment.

15 Any member of the Board may be removed by the Governor for
16 neglect of duty, misfeasance, malfeasance, or nonfeasance in
17 office.

18 Board members shall receive as compensation for their
19 services \$250 for each day they are in attendance at any
20 official board meeting, but in no event shall members receive
21 more than \$3,000 per year. They shall receive no other
22 compensation for their services, but shall be reimbursed for
23 necessary traveling and other reasonable expenses incurred in
24 the performance of their official duties. All such compensation
25 and reimbursement shall be paid from proceeds of the
26 Concession.

1 The Board shall hold at least one meeting each quarter of
2 the fiscal year. In addition, special meetings may be called by
3 the chairman, any 4 Board members, or the Director of the
4 Department, upon delivery of 72 hours' written notice to each
5 member. All Board meetings shall be open to the public pursuant
6 to the Open Meetings Act.

7 Four members of the Board shall constitute a quorum, and 4
8 votes shall be required for any final determination by the
9 Board. The Board shall keep a complete and accurate record of
10 all its meetings.

11 The Board shall have general responsibility for the
12 implementation of this Act and the oversight and implementation
13 of any Management and Concession Agreement. The Board shall
14 have jurisdiction and oversight over all Lottery and Concession
15 operations governed by this Act and shall have all powers
16 necessary and proper to fully and effectively execute the
17 provisions of this Act. Its duties include, without limitation,
18 the following:

19 (1) to conduct all hearings pertaining to rules and
20 regulations promulgated under this Act;

21 (2) to promulgate such rules and regulations as in its
22 judgment may be necessary to protect or enhance the
23 credibility and integrity of the Lottery and enforce the
24 provisions of the Management and Concession Agreement
25 authorized by this Act and the regulatory process under
26 this Act;

1 (3) to be present through its inspectors and agents any
2 time Lottery operations are conducted pursuant to this Act
3 or the Management and Concession Agreement for the purpose
4 of determining compliance therewith, receiving complaints
5 from the public, and conducting such other investigations
6 into the conduct of Lottery games and operations and the
7 maintenance of all Lottery equipment as from time to time
8 the Board may deem necessary and proper;

9 (4) to implement and administer the Concession and
10 Management Agreement, including, without limitation, the
11 supervision and administration of the operation of the
12 Lottery in accordance with this Act, the rules and
13 regulations of the Board adopted hereunder, and the terms
14 of the Management and Concession Agreement;

15 (5) to investigate parties providing Concession and
16 Lottery-related services;

17 (6) to have jurisdiction and supervision over all
18 Lottery and Concession operations;

19 (7) to promulgate rules and regulations for the purpose
20 of administering the provisions of this Act and the
21 Management and Concession Agreement and to prescribe
22 rules, regulations, and conditions under which the Lottery
23 shall be conducted; those rules and regulations are to
24 provide for the prevention of practices detrimental to the
25 public interest and for the best interests of citizens of
26 the State, including rules and regulations regarding

1 inspection;

2 (8) to enter the office, facilities, or other places of
3 business of a Concessionaire, where evidence of the
4 compliance or noncompliance with the provisions of this Act
5 or the Management and Concession Agreement is likely to be
6 found;

7 (9) to investigate alleged violations of this Act or
8 the rules of the Board and to take appropriate disciplinary
9 action against a Concessionaire and its contractors and
10 licensees for a violation, or institute appropriate legal
11 action for enforcement, or both;

12 (10) to ensure that any Concessionaire maintains
13 appropriate standards for Lottery ticket vendors;

14 (11) to require that records, including financial or
15 other statements of any Concessionaire, manager, or
16 operator under this Act, shall be kept in such manner as
17 prescribed by the Board and that any such Concessionaire,
18 manager, or operator regularly submit to the Board a
19 balance sheet and profit and loss statement, list of the
20 stockholders or other persons having a beneficial interest
21 in such amounts as may be determined by the Board, and any
22 other information the Board deems necessary in order to
23 effectively administer this Act and all rules,
24 regulations, orders, and final decisions promulgated under
25 this Act;

26 (12) to conduct hearings, issue subpoenas for the

1 attendance of witnesses and subpoenas duces tecum for the
2 production of books, records, and other pertinent
3 documents in accordance with the Illinois Administrative
4 Procedure Act, and to administer oaths and affirmations to
5 the witnesses, when, in the judgment of the Board, it is
6 necessary to administer or enforce this Act or the Board
7 rules;

8 (13) to hire employees to gather information, conduct
9 investigations, and carry out any other tasks contemplated
10 under this Act;

11 (14) to delegate the execution of any of its powers
12 under this Act for the purpose of administering and
13 enforcing this Act and its rules and regulations; and

14 (15) to take any other action as may be reasonable or
15 appropriate to enforce this Act and its rules and
16 regulations.

17 The Board may seek and shall receive the cooperation of the
18 Department of State Police in conducting background
19 investigations of parties and in fulfilling its
20 responsibilities under this Section. Costs incurred by the
21 Department of State Police as a result of that cooperation
22 shall be paid by the Board in conformance with the requirements
23 of Section 2605-400 of the Department of State Police Law.

24 In the event that the State shall enter into a Management
25 and Concession Agreement, the Board may instruct the
26 Superintendent, on behalf of the Concessionaire, to enter into

1 an agreement or agreements with the management of state
2 lotteries operated pursuant to the laws of other states for the
3 purpose of creating and operating a multi-state lottery game
4 wherein a separate and distinct prize pool would be combined to
5 award larger prizes to the public than could be offered by the
6 several state lotteries individually. In the event that the
7 State shall enter into a Management and Concession Agreement,
8 no tickets or shares offered in connection with a multi-state
9 lottery game shall be sold within the State, except those
10 offered by the Concessionaire pursuant to the terms of the
11 Management and Concession Agreement and this amendatory Act of
12 the 95th General Assembly. No such agreement shall purport to
13 pledge the full faith and credit of the State of Illinois. No
14 multi-state game prize awarded to a nonresident of Illinois,
15 with respect to a ticket or share purchased in a state other
16 than the State of Illinois, shall be deemed to be a prize
17 awarded under this Act for the purpose of taxation under the
18 Illinois Income Tax Act.

19 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

20 Sec. 7.1. Rules and regulations. The Department may ~~shall~~
21 promulgate such rules and regulations governing the
22 establishment and operation of a State lottery as it deems
23 necessary to carry out the purposes of this Act. Such rules and
24 regulations shall be subject to the provisions of The Illinois
25 Administrative Procedure Act. If the State enters into a

1 Management and Concession Agreement pursuant to which a
2 Concessionaire is authorized to manage or operate the Lottery,
3 the Board shall assume the Department's authorities and
4 discharge the Department's duties under this Section and
5 Section 7.2 of this Act. The Division may ~~shall~~ issue written
6 game rules, play instructions, directives, operations manuals,
7 brochures, or any other publications necessary to conduct
8 specific games, as authorized by rule by the Department. Any
9 written game rules, play instructions, directives, operations
10 manuals, brochures, or other game publications issued by the
11 Division that relate to a specific lottery game shall be
12 maintained as a public record in the Division's principal
13 office, and made available for public inspection and copying
14 but shall be exempt from the rulemaking procedures of the
15 Illinois Administrative Procedure Act. However, when such
16 written materials contain any policy of general applicability,
17 the Division shall formulate and adopt such policy as a rule in
18 accordance with the provisions of the Illinois Administrative
19 Procedure Act. In addition, the Division shall publish each
20 January in the Illinois Register a list of all game-specific
21 rules, play instructions, directives, operations manuals,
22 brochures, or other game-specific publications issued by the
23 Division during the previous year, if any, and instructions
24 concerning how the public may obtain copies of these materials
25 from the Division. In the event that the State enters into a
26 Management and Concession Agreement, the Concessionaire shall

1 be permitted to offer lottery games in accordance with the
2 provisions of this Act, the rules and regulations of the Board
3 adopted hereunder, and the terms of the Management and
4 Concession Agreement.

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

6 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

7 Sec. 7.2. Matters included in rules and regulations. The
8 rules and regulations of the Department or, if the State enters
9 into a Management and Concession Agreement pursuant to which a
10 Concessionaire is authorized to manage or operate the lottery,
11 the Board may include, but shall not be limited to, the
12 following:

13 (1) The types of lotteries to be conducted.†

14 (2) The price, or prices, of tickets or shares in the
15 lottery.†

16 (3) The numbers and sizes of the prizes on the winning
17 tickets or shares.†

18 (4) The manner of selecting the winning tickets or shares.†

19 (5) The manner of payment of prizes to the holders of
20 winning tickets or shares.†

21 (6) The frequency of the drawing or selections of winning
22 tickets or shares, without limitation.†

23 (7) Without limit to number, the type or types of locations
24 at which tickets or shares may be sold.†

25 (8) The method to be used in selling tickets or shares.†

1 (9) The manner and amount of compensation, if any, to be
2 paid licensed sales agents necessary to provide for the
3 adequate availability of tickets or shares to prospective
4 buyers and for the convenience of the public.~~†~~

5 (10) (Blank). ~~The apportionment of the total revenues~~
6 ~~accruing from the sale of lottery tickets or shares and from~~
7 ~~all other sources among (i) the payment of prizes to the~~
8 ~~holders of winning tickets or shares, (ii) the payment of costs~~
9 ~~incurred in the operation and administration of the lottery,~~
10 ~~including the expenses of the Department and the costs~~
11 ~~resulting from any contract or contracts entered into for~~
12 ~~promotional, advertising or operational services or for the~~
13 ~~purchase or lease of lottery equipment and materials, and (iii)~~
14 ~~for monthly transfers to the Common School Fund. The net~~
15 ~~revenues accruing from the sale of lottery tickets shall be~~
16 ~~determined by deducting from total revenues the payments~~
17 ~~required by paragraphs (i) and (ii) of this subsection.~~

18 (11) Such other matters necessary or desirable for the
19 efficient and economical operation and administration of the
20 lottery or for the implementation and oversight of any
21 Management and Concession Agreement pursuant to which a
22 Concessionaire is authorized to manage or operate the Lottery
23 and for the convenience of the purchasers of tickets or shares
24 and the holders of winning tickets or shares.

25 ~~Any rules and regulations of the Department with respect to~~
26 ~~monthly transfers to the Common School Fund are subject to~~

1 ~~Section 21.2.~~

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

3 (20 ILCS 1605/7.3) (from Ch. 120, par. 1157.3)

4 Sec. 7.3. Hearings on violations; other hearings. The Board
5 shall designate Hearing Officers who shall conduct hearings
6 upon complaints charging violations of this Act or of
7 regulations thereunder, and such other hearings as may be
8 provided by Department rule. The Board may hear appeals from
9 the recommended decisions of its Hearing Officers in accordance
10 with procedures established by Department rule. Whenever the
11 Department issues a Notice of Assessment under Section 21 of
12 this Act, the lottery sales agent may protest such Notice by
13 filing a request for hearing within 20 days of the date of such
14 Notice.

15 (Source: P.A. 85-1224; 86-1475.)

16 (20 ILCS 1605/7.4) (from Ch. 120, par. 1157.4)

17 Sec. 7.4. Studies and investigations of lottery. The
18 Department or, if the State enters into a Management and
19 Concession Agreement pursuant to which a Concessionaire is
20 authorized to manage or operate the Lottery, the Board shall
21 carry on a continuous study and investigation of the lottery
22 throughout the State (1) for the purpose of ascertaining any
23 defects in this Act or in the rules and regulations issued
24 under this Act whereby any abuses in the administration and

1 operation of the lottery or any evasion of this Act or the
2 rules and regulations may arise or be practiced, (2) for the
3 purpose of formulating recommendations for changes in this Act
4 and the rules and regulations promulgated hereunder to prevent
5 such abuses and evasions, (3) to guard against the use of this
6 Act and the rules and regulations issued hereunder as a cloak
7 for the carrying on of organized gambling and crime, and (4) to
8 insure that the law and rules and regulations shall be in such
9 form and be so administered as to serve the true purposes of
10 this Act.

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

12 (20 ILCS 1605/7.5) (from Ch. 120, par. 1157.5)

13 Sec. 7.5. Reports on matters requiring changes in law. The
14 Board shall report to the Governor, the Attorney General, the
15 Speaker of the House, the President of the Senate, the minority
16 leaders of both houses, and such other State officers as from
17 time to time it deems appropriate, any matters which it deems
18 to require an immediate change in the laws of this State in
19 order to prevent abuses and evasions of this Act or rules and
20 regulations promulgated thereunder or to rectify undesirable
21 conditions in connection with the administration or operation
22 of the lottery.

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

24 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

1 Sec. 7.6. Recommendations. The Board shall advise and make
2 recommendations to the Superintendent or the Director
3 regarding the functions and operations of the State Lottery. A
4 copy of all such recommendations shall also be forwarded to the
5 Governor, the Attorney General, the Speaker of the House, the
6 President of the Senate and the minority leaders of both
7 houses.

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

9 (20 ILCS 1605/7.8) (from Ch. 120, par. 1157.8)

10 Sec. 7.8. Annual report; report as public report. The
11 Department, or, if the State enters into a Management and
12 Concession Agreement pursuant to which a Concessionaire is
13 authorized to manage or operate the Lottery, the Board shall
14 make an annual report regarding the work of the Board to the
15 Governor, the Speaker of the House, the President of the
16 Senate, and the minority leaders of both houses, such report to
17 be a public report.

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

19 (20 ILCS 1605/7.8a) (from Ch. 120, par. 1157.8a)

20 Sec. 7.8a. Advertising policy. The Board shall establish
21 advertising policy to ensure that advertising content and
22 practices do not target with the intent to exploit specific
23 groups or economic classes of people, and that its content is
24 accurate and not misleading. The Board shall review, at least

1 quarterly, all past advertising and proposed concepts for major
2 media campaigns to ensure that they do not target with the
3 intent to exploit specific groups or economic classes of
4 people, and that their content is accurate and not misleading.
5 If the Board finds that advertising conflicts with such policy,
6 it shall have the authority to direct the Department to cease
7 that advertising. If the State enters into a Management and
8 Concession Agreement pursuant to which a Concessionaire is
9 authorized to manage or operate the Lottery and the
10 Concessionaire has the right to undertake marketing and
11 advertising activities, the Concessionaire shall submit, for
12 the Board's review of content and determination of compliance
13 with this Section, all marketing and advertising materials
14 pursuant to such rules and policies as the Board may promulgate
15 from time to time. If the Board finds that action proposed or
16 taken by the Concessionaire conflicts with those rules or
17 policies, the Board shall have the authority to direct the
18 Concessionaire to cease or refrain from taking that action.

19 (Source: P.A. 85-183.)

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

21 Sec. 7.11. (Repealed.) The Division may establish and
22 collect nominal charges for promotional products ("premiums")
23 and other promotional materials produced or acquired by the
24 Division as part of its advertising and promotion activities.
25 Such premiums or other promotional materials may be sold to

1 ~~individuals, government agencies and not for profit~~
2 ~~organizations, but not to for profit enterprises for the~~
3 ~~purpose of resale. Other State agencies shall be charged no~~
4 ~~more than the cost to the Division of the premium or~~
5 ~~promotional material. All proceeds from the sale of premiums or~~
6 ~~promotional materials shall be deposited in the State Lottery~~
7 ~~Fund in the State Treasury.~~

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

9 (20 ILCS 1605/8) (from Ch. 120, par. 1158)

10 Sec. 8. Compelling appearance of witnesses and production
11 of documents; oaths and affirmations; dispositions. In
12 connection with any hearing held pursuant to Section 6.1 or 7.3
13 of this Act, the Board, or any Hearing Officer appointed by the
14 Board, may subpoena and compel the appearance of witnesses and
15 production of documents, papers, books, records and other
16 evidence before it in any matter over which it has
17 jurisdiction, control or supervision. The Board, or any
18 appointed Hearing Officer, shall have the power to administer
19 oaths and affirmations to persons whose testimony is required.
20 If a person subpoenaed to attend in any such proceeding or
21 hearing fails to obey the command of the subpoena without
22 reasonable cause, or if a person in attendance in any such
23 proceeding or hearing refuses, without lawful cause, to be
24 examined or to answer a legal or pertinent question or to
25 exhibit any books, account, record or other document when

1 ordered so to do by the Board or its Hearing Officer, the Board
2 or Hearing Officer may apply to the circuit court, upon proof
3 by affidavit of the facts, for an order returnable in not less
4 than 2 nor more than 10 days, or as the court may prescribe,
5 directing such person to show cause before the court why he or
6 she should not comply with such subpoena or such order.

7 Upon return of the order, the court shall examine such
8 person under oath, and if the court determines, after giving
9 such person an opportunity to be heard, that he or she refused
10 without legal excuse to comply with such subpoena or such order
11 of the Board or Hearing Officer, the court may order such
12 person to comply therewith immediately and any failure to obey
13 the order of the court may be punished as a contempt of court.

14 All subpoenas and subpoenas duces tecum issued under the
15 provisions of this Act may be served by any person of lawful
16 age. The fees of witnesses for attendance and travel shall be
17 the same as the fees of witnesses before the circuit courts of
18 this State. When the witness is subpoenaed at the instance of
19 the Department or any officer or employee thereof, such fees
20 shall be paid in the same manner as other expenses of the
21 Department. When the witness is subpoenaed at the instance of
22 any other party to any such proceeding, the Department may
23 require that the cost of service of the subpoena or subpoena
24 duces tecum and the fee of the witness be borne by the party at
25 whose instance the witness is summoned. In such case, and on
26 motion of the Department, the Board or its Hearing Officer may

1 require a deposit to cover the cost of such service and witness
2 fees.

3 The Department, or any officer or employee thereof, or any
4 other party to a hearing before the Board or its Hearing
5 Officers, may cause the depositions of witnesses within the
6 State to be taken in the manner prescribed by law for like
7 depositions in civil actions in courts of this State, and to
8 that end compel the attendance of witnesses and the production
9 of books, papers, records or memoranda.

10 (Source: P.A. 85-1224.)

11 (20 ILCS 1605/8.1) (from Ch. 120, par. 1158.1)

12 Sec. 8.1. Contracts; competitive negotiation. Contracts
13 for State Lottery tickets or shares or for other State Lottery
14 game related services shall be obtained through the utilization
15 of competitive negotiation procedures whenever practicable.

16 (Source: P.A. 84-268.)

17 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

18 Sec. 9. Duties of Superintendent. The Superintendent, as
19 administrative head of the Division, shall direct and supervise
20 all its administrative and technical activities and shall
21 report to the Director. In addition to the duties imposed upon
22 him elsewhere in this Act, it shall be the Superintendent's
23 duty:

24 a. To supervise and administer the operation of the lottery

1 in accordance with the provisions of this Act or such rules and
2 regulations of the Department adopted thereunder.

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

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

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

26 e. To suspend or revoke any license issued pursuant to this

1 Act or the rules and regulations promulgated by the Department
2 thereunder.

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

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

22 h. To enter into a Management and Concession Agreement that
23 authorizes a Concessionaire to enter into an agreement or
24 agreements with the management of state lotteries operated
25 pursuant to the laws of other states for the purpose of
26 creating and operating a multi-state lottery game wherein a

1 separate and distinct prize pool would be combined to award
2 larger prizes to the public than could be offered by the
3 several state lotteries, individually or, if the State enters
4 into a Management and Concession Agreement pursuant to which a
5 Concessionaire is authorized to manage or operate the Lottery,
6 to authorize the Concessionaire to take such action. No tickets
7 or shares offered in connection with a multi-state lottery game
8 shall be sold within the State of Illinois, except those
9 offered by and through the Department or, if the State enters
10 into a Management and Concession Agreement pursuant to which a
11 Concessionaire is authorized to manage or operate the Lottery,
12 by the Concessionaire pursuant to the terms of the Management
13 and Concession Agreement and this amendatory Act of the 95th
14 General Assembly. No such agreement shall purport to pledge the
15 full faith and credit of the State of Illinois, nor shall the
16 Department expend State funds on a contractual basis in
17 connection with any such game unless such expenditures are
18 expressly authorized by the General Assembly, provided,
19 however, that in the event of error or omission by the Illinois
20 State Lottery in the conduct of the game, as determined by the
21 multi-state game directors, except as may be and to the extent
22 modified by the terms of a Management and Concession Agreement,
23 the Department shall be authorized to pay a prize winner or
24 winners the lesser of a disputed prize or \$1,000,000, any such
25 payment to be made solely from funds appropriated for game
26 prize purposes. Except as may be and to the extent modified by

1 the terms of a Management and Concession Agreement, the ~~The~~
2 Department shall be authorized to share in the ordinary
3 operating expenses of any such multi-state lottery game, from
4 funds appropriated by the General Assembly, and in the event
5 the multi-state game control offices are physically located
6 within the State of Illinois, the Department is authorized to
7 advance start-up operating costs not to exceed \$150,000,
8 subject to proportionate reimbursement of such costs by the
9 other participating state lotteries. The Department shall be
10 authorized to share proportionately in the costs of
11 establishing a liability reserve fund from funds appropriated
12 by the General Assembly. The Department is authorized to
13 transfer prize award funds attributable to Illinois sales of
14 multi-state lottery game tickets to the multi-state control
15 office, or its designated depository, for deposit to such game
16 pool account or accounts as may be established by the
17 multi-state game directors, the records of which account or
18 accounts shall be available at all times for inspection in an
19 audit by the Auditor General of Illinois and any other auditors
20 pursuant to the laws of the State of Illinois. No multi-state
21 game prize awarded to a nonresident of Illinois, with respect
22 to a ticket or share purchased in a state other than the State
23 of Illinois, shall be deemed to be a prize awarded under this
24 Act for the purpose of taxation under the Illinois Income Tax
25 Act. ~~All of the net revenues accruing from the sale of~~
26 ~~multi state lottery tickets or shares shall be transferred into~~

1 ~~the Common School Fund pursuant to Section 7.2.~~ The Department
2 shall promulgate such rules as may be appropriate to implement
3 the provisions of this Section.

4 i. To make a continuous study and investigation of (1) the
5 operation and the administration of similar laws which may be
6 in effect in other states or countries, (2) any literature on
7 the subject which from time to time may be published or
8 available, (3) any Federal laws which may affect the operation
9 of the lottery, and (4) the reaction of Illinois citizens to
10 existing and potential features of the lottery with a view to
11 recommending or effecting changes that will tend to serve the
12 purposes of this Act.

13 j. To report monthly to the State Treasurer and the Lottery
14 Control Board a full and complete statement of lottery
15 revenues, ~~prize disbursements~~ and other expenses for each
16 quarter month and the amounts to be transferred to ~~the Common~~
17 ~~School Fund pursuant to Section 7.2~~ or such ~~other~~ funds as are
18 ~~otherwise~~ authorized by ~~Section 21.2~~ of this Act, and to make
19 an annual report, which shall include a full and complete
20 statement of lottery or concession revenues, ~~prize~~
21 ~~disbursements~~ and ~~other~~ expenses, to the Governor and the
22 Board. All reports required by this subsection shall be public
23 and copies of all such reports shall be sent to the Speaker of
24 the House, the President of the Senate, and the minority
25 leaders of both houses.

26 k. In the event that the State shall enter into a

1 Management and Concession Agreement, it shall be the duty of
2 the Superintendent, together with the Board, to supervise and
3 administer the operations of the lottery in accordance with the
4 provisions of this Act, the rules and regulations of the Board
5 adopted hereunder, and the terms of the Management and
6 Concession Agreement.

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

8 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

9 Sec. 10. Licensing of agents to sell lottery tickets or
10 shares. The Division, upon application therefor on forms
11 prescribed by the Division, and upon a determination by the
12 Division that the applicant meets all of the qualifications
13 specified in this Act, shall issue a license as an agent to
14 sell lottery tickets or shares. No license as an agent to sell
15 lottery tickets or shares shall be issued to any person to
16 engage in business exclusively as a lottery sales agent.

17 Before issuing such license the Superintendent shall
18 consider (a) the financial responsibility and security of the
19 person and his business or activity, (b) the accessibility of
20 his place of business or activity to the public, (c) the
21 sufficiency of existing licenses to serve the public
22 convenience, (d) the volume of expected sales, and (e) such
23 other factors as he or she may deem appropriate.

24 Until September 1, 1987, the provisions of Sections 2a, 4,
25 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,

1 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
2 not inconsistent with this Act shall apply to the subject
3 matter of this Act to the same extent as if such provisions
4 were included in this Act. For purposes of this Act, references
5 in such incorporated Sections of the Retailers' Occupation Tax
6 Act to retailers, sellers or persons engaged in the business of
7 selling tangible personal property mean persons engaged in
8 selling lottery tickets or shares; references in such
9 incorporated Sections to sales of tangible personal property
10 mean the selling of lottery tickets or shares; and references
11 in such incorporated Sections to certificates of registration
12 mean licenses issued under this Act. The provisions of the
13 Retailers' Occupation Tax Act as heretofore applied to the
14 subject matter of this Act shall not apply with respect to
15 tickets sold by or delivered to lottery sales agents on and
16 after September 1, 1987, but such provisions shall continue to
17 apply with respect to transactions involving the sale and
18 delivery of tickets prior to September 1, 1987.

19 All licenses issued by the Division under this Act shall be
20 valid for a period not to exceed 2 years after issuance unless
21 sooner revoked, canceled or suspended as in this Act provided.
22 No license issued under this Act shall be transferable or
23 assignable. Such license shall be conspicuously displayed in
24 the place of business conducted by the licensee in Illinois
25 where lottery tickets or shares are to be sold under such
26 license.

1 For purposes of this Section, the term "person" shall be
2 construed to mean and include an individual, association,
3 partnership, corporation, club, trust, estate, society,
4 company, joint stock company, receiver, trustee, referee, any
5 other person acting in a fiduciary or representative capacity
6 who is appointed by a court, or any combination of individuals.
7 "Person" includes any department, commission, agency or
8 instrumentality of the State, including any county, city,
9 village, or township and any agency or instrumentality thereof.

10 If the State enters into a Management and Concession
11 Agreement pursuant to which the State authorizes a
12 Concessionaire to retain agents to distribute lottery tickets,
13 the Division shall cease issuing licenses to agents to sell
14 lottery tickets or shares during the term of the Management and
15 Concession Agreement. In retaining such agents, the
16 Concessionaire shall apply appropriate criteria in determining
17 suitability of those agents, including without limitation,
18 criteria establishing the ineligibility for a license as set
19 forth in Section 10.1 of this Act. Further, the Concessionaire
20 shall provide to the Department, not less than monthly, a list
21 of all agents the Concessionaire has engaged to distribute
22 lottery tickets or shares, which statement shall include a
23 certification that all such agents comply with the eligibility
24 standards set forth in this Act.

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

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

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

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

5 (b) any person who is or has been a professional gambler or
6 gambling promoter, except when the person acted in such a
7 capacity pursuant to and in compliance with all applicable law;

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

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

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

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

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

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

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

26 1) at least 10 years have elapsed since the date when the

1 sentence for the most recent such conviction was satisfactorily
2 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 who
10 personally can attest that the character and attitude of the
11 applicant indicate that he is unlikely to commit another crime.

12 The Division may revoke, without notice or a hearing, the
13 license of any agent who violates this Act or any rule or
14 regulation promulgated pursuant to this Act. If the State
15 enters into a Management and Concession Agreement pursuant to
16 which the State authorizes a Concessionaire to engage any sales
17 agent, the Division shall retain the power to revoke any such
18 agency pursuant to the provisions of this Act. However, if the
19 Division does revoke a license without notice and an
20 opportunity for a hearing, the Division shall, by appropriate
21 notice, afford the person whose license has been revoked an
22 opportunity for a hearing within 30 days after the revocation
23 order has been issued. As a result of any such hearing, the
24 Division may confirm its action in revoking the license, or it
25 may order the restoration of such license.

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

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

2 Sec. 10.1a. Failure to satisfy tax Act requirements. In
3 addition to other grounds specified in this Act, the Division
4 shall refuse to issue and shall suspend the license of any
5 lottery sales agency who fails to file a return, or to pay the
6 tax, penalty or interest shown in a filed return, or to pay any
7 final assessment of tax, penalty or interest, as required by
8 any tax Act administered by the Department, until such time as
9 the requirements of any such tax Act are satisfied, unless the
10 agency is contesting, in accordance with the procedures
11 established by the appropriate revenue Act, its liability for
12 the tax or the amount of tax. If the State enters into a
13 Management and Concession Agreement pursuant to which the State
14 authorizes a Concessionaire to engage any sales agent, the
15 Division may direct the Concessionaire to refrain from engaging
16 or to suspend the engagement of any party acting or seeking to
17 act as a sales agent. The Division shall affirmatively verify
18 the tax status of every sales agency before issuing or renewing
19 a license, except that, if the State enters into a Management
20 and Concession Agreement pursuant to which the State authorizes
21 a Concessionaire to engage any sales agent, the Division shall
22 verify the tax status of each agent from the list of agents
23 provided by the Concessionaire pursuant to Section 10 of this
24 Act. For purposes of this Section, a sales agency shall not be
25 considered delinquent in the payment of a tax if the agency (a)

1 has entered into an agreement with the Department for the
2 payment of all such taxes that are due and (b) is in compliance
3 with the agreement.

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

5 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

6 Sec. 10.2. Application and other fees. Each application
7 for a new lottery license must be accompanied by a one-time
8 application fee of \$50; the Division, however, may waive the
9 fee for licenses of limited duration as provided by Department
10 rule. Each application for renewal of a lottery license must be
11 accompanied by a renewal fee of \$25. Each lottery licensee
12 granted on-line status pursuant to the Department's rules must
13 pay a fee of \$10 per week as partial reimbursement for
14 telecommunications charges incurred by the Department in
15 providing access to the lottery's on-line gaming system. The
16 Department, by rule, may increase or decrease the amount of
17 these fees. No Concessionaire that may retain sales agents for
18 the Lottery pursuant to the terms of a Management and
19 Concession Agreement may assess any fee pursuant this Section.

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

21 (20 ILCS 1605/10.3) (from Ch. 120, par. 1160.3)

22 Sec. 10.3. Proceeds received by sales agent. All proceeds
23 from the sale of lottery tickets or shares received by a person
24 in the capacity of a sales agent shall constitute a trust fund

1 until paid to the Department either directly, or through the
2 Department's authorized collection representative. Proceeds
3 shall include unsold instant tickets received by a sales agent
4 and cash proceeds of sale of any lottery products, net of
5 allowable sales commissions and credit for lottery prizes paid
6 to winners by sales agents. Sales proceeds and unsold instant
7 tickets shall be delivered to the Department or its authorized
8 collection representative upon demand. Sales agents shall be
9 personally liable for all proceeds which shall be kept separate
10 and apart from all other funds and assets and shall not be
11 commingled with any other funds or assets. In the case of a
12 sales agent who is not an individual, personal liability shall
13 attach to the owners and officers of the sales agent. The
14 Department shall have a right to file a lien upon all real and
15 personal property of any person who is personally liable under
16 this Section for any unpaid proceeds, which were to be
17 segregated as a trust fund under this Section, at any time
18 after such payment was to have been made. Such lien shall
19 include any interest and penalty provided for by this Act and
20 shall be deemed equivalent to, and have the same effect as, the
21 State tax lien under the Retailers' Occupation Tax Act. The
22 term "person" as used in this Section, and in Section 10.4 of
23 this Act, shall have the same meaning as provided in Section 10
24 of this Act. This Section, and Sections 10.4 and 10.5 of this
25 Act shall apply with respect to all lottery tickets or shares
26 generated by computer terminal, other electronic device, and

1 any other tickets delivered to sales agents on and after
2 September 1, 1987. If the State enters into a Management and
3 Concession Agreement pursuant to which a Concessionaire is
4 authorized to manage or operate the Lottery: (i) the
5 Concessionaire may be the Department's authorized collection
6 representative; and (ii) no such arrangement shall diminish the
7 Department's rights pursuant to this Section. For purposes of
8 this Section, "sales agent" includes any sales agent engaged by
9 a Concessionaire pursuant to the terms of a Management and
10 Concession Agreement.

11 (Source: P.A. 86-905.)

12 (20 ILCS 1605/10.4) (from Ch. 120, par. 1160.4)

13 Sec. 10.4. Proceeds received by sales agent; violations.
14 Every person who shall violate the provisions of Section 10.3,
15 or who does not segregate and keep separate and apart from all
16 other funds and assets, all proceeds from the sale of lottery
17 tickets received by a person in the capacity of a sales agent,
18 shall upon conviction thereof be guilty of a Class 4 felony.
19 The provisions of this Section shall be enforced by the
20 Illinois Department of State Police and prosecuted by the
21 Attorney General.

22 (Source: P.A. 85-183; 86-1475.)

23 (20 ILCS 1605/10.5) (from Ch. 120, par. 1160.5)

24 Sec. 10.5. Sales agent; insolvency. Whenever any person who

1 receives proceeds from the sale of lottery tickets in the
2 capacity of sales agent becomes insolvent, or dies insolvent,
3 the proceeds due the Department from such person or his estate
4 shall have preference over all debts or demands, except as
5 follows:

6 (a) Amounts due for necessary funeral expenses;

7 (b) Amounts due for medical care and medicine during his
8 most recent illness preceding death;

9 (c) Debts due to the United States;

10 (d) Debts due to the State of Illinois and all State and
11 local taxes; and

12 (e) Wages for labor performed within the 6 months
13 immediately preceding the death of such deceased person, not
14 exceeding \$1,000 due to another person and provided further
15 that such proceeds shall be nondischargeable in insolvency
16 proceedings instituted pursuant to Chapter 7, Chapter 11, or
17 Chapter 13 of the Federal Bankruptcy Act.

18 (Source: P.A. 85-183.)

19 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

20 Sec. 10.6. Odds of winning. The Division shall make an
21 effort to more directly inform players of the odds of winning
22 prizes. This effort shall include, at a minimum, that the
23 Division require all ticket agents to display a placard stating
24 the odds of winning for each game offered by that agent. In the
25 event that the State shall enter into a Management and

1 Concession Agreement, the Division shall be relieved of its
2 duties under this Section 10.6 and the Concessionaire shall be
3 obligated to comply with the requirements of this Section 10.6.

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

5 (20 ILCS 1605/10.7)

6 Sec. 10.7. Compulsive gambling.

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

17 (b) The Division shall print a statement regarding
18 obtaining assistance with gambling problems, the text of which
19 shall be determined by rule by the Department of Human
20 Services, on all paper stock it provides to the general public.

21 (c) The Division shall print a statement of no more than
22 one sentence in length regarding obtaining assistance with
23 gambling problems and including a toll-free "800" number
24 providing crisis counseling and referral services to families
25 experiencing difficulty as a result of problem or compulsive

1 gambling on the back of all lottery tickets.

2 (d) If the State enters into a Management and Concession
3 Agreement pursuant to which a Concessionaire is authorized to
4 manage or operate the Lottery, the Concessionaire shall assume
5 and discharge all duties of the Division under subsections (a),
6 (b), and (c) of this Section.

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

8 (20 ILCS 1605/11) (from Ch. 120, par. 1161)

9 Sec. 11. Officers and employees; civil or criminal
10 penalties; devolution of powers or duties. Every officer and
11 employee shall for any offense be subject to the same penalty
12 or penalties, civil or criminal, as are prescribed by existing
13 law for the same offense by any officer or employee whose
14 powers or duties devolve upon him under this Act.

15 (Source: P.A. 78-3rd S.S.-20.)

16 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

17 Sec. 12. Public inspection and copying of records and data;
18 exceptions. The public inspection and copying of the records
19 and data of the Division and the Board shall be generally
20 governed by the provisions of the Freedom of Information Act
21 except that the following shall additionally be exempt from
22 inspection and copying:

23 (i) information privileged against introduction in
24 judicial proceedings;

- 1 (ii) internal communications of the several agencies;
- 2 (iii) information concerning secret manufacturing
3 processes or confidential data submitted by any person
4 under this Act;
- 5 (iv) any creative proposals, scripts, storyboards or
6 other materials prepared by or for the Division or a
7 Concessionaire under a Management and Concession
8 Agreement, prior to the placement of the materials in the
9 media, if the prior release of the materials would
10 compromise the effectiveness of an advertising campaign.

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

12 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

13 Sec. 13. Right to prize; payment. Except as otherwise
14 provided in Section 13.1, no prize, nor any portion of a prize,
15 nor any right of any person to a prize awarded shall be
16 assignable. Any prize, or portion thereof remaining unpaid at
17 the death of a prize winner, may be paid to the estate of such
18 deceased prize winner, or to the trustee under a revocable
19 living trust established by the deceased prize winner as
20 settlor, provided that a copy of such a trust has been filed
21 with the Department along with a notarized letter of direction
22 from the settlor and no written notice of revocation has been
23 received by the Division prior to the settlor's death.
24 Following such a settlor's death and prior to any payment to
25 such a successor trustee, the Superintendent shall obtain from

1 the trustee a written agreement to indemnify and hold the
2 Department and the Division harmless with respect to any claims
3 that may be asserted against the Department or the Division
4 arising from payment to or through the trust. Notwithstanding
5 any other provision of this Section, any person pursuant to an
6 appropriate judicial order may be paid the prize to which a
7 winner is entitled, and all or part of any prize otherwise
8 payable by State warrant under this Section shall be withheld
9 upon certification to the State Comptroller from the Department
10 of Healthcare and Family Services as provided in Section
11 10-17.5 of The Illinois Public Aid Code. The Director and the
12 Superintendent shall be discharged of all further liability
13 upon payment of a prize pursuant to this Section.

14 If the State enters into a Management and Concession
15 Agreement pursuant to which a payor other than the State, or a
16 department, division, agency, or other unit of the State shall
17 have the obligation to pay a prize, except as otherwise
18 provided in Section 13.1, neither a prize, nor any portion of a
19 prize, nor any right of any person to a prize awarded shall be
20 assignable. Any prize, or portion thereof remaining unpaid at
21 the death of a prize winner, may be paid to the estate of that
22 deceased prize winner, or to the trustee under a revocable
23 living trust established by the deceased prize winner as
24 settlor, provided that a copy of that trust has been delivered
25 to the third party prize payor along with a notarized letter of
26 direction from the settlor and no written notice of revocation

1 has been received by the third party prize payor prior to the
2 settlor's death. Following such a settlor's death and prior to
3 any payment to such a successor trustee, the third party prize
4 payor shall obtain from the trustee a written agreement to
5 indemnify and hold the third party prize payor and the State
6 harmless with respect to any claims that may be asserted
7 against such third party prize payor or the State arising from
8 the payment of the prize to or through the trust. The Director
9 and the Superintendent shall be discharged of all further
10 liability upon payment of a prize pursuant to this Section and
11 shall in no event be liable for any failure of a Concessionaire
12 to pay any prize.

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

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

15 Sec. 14. Sale of ticket or share at greater than fixed
16 price; sale or resale of tickets or shares; charging a fee to
17 redeem winning ticket or share; punishment. No person shall
18 sell a ticket or share at a price greater than that fixed by
19 rule or regulation of the Department or the Division. No person
20 other than a licensed lottery sales agent or distributor or a
21 Concessionaire or a sales agent engaged by a Concessionaire
22 pursuant to the terms of a Management and Concession Agreement
23 shall sell or resell lottery tickets or shares. No person shall
24 charge a fee to redeem a winning ticket or share.

25 Any person convicted of violating this Section shall be

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

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

5 (20 ILCS 1605/14.2) (from Ch. 120, par. 1164.2)

6 Sec. 14.2. Lottery ticket fraud; prima facie evidence. Any
7 person who, with intent to defraud, shall falsely make, alter,
8 forge, utter, pass or counterfeit a lottery ticket or share
9 issued by the State of Illinois under this Act shall be guilty
10 of a Class 4 felony.

11 It shall be prima facie evidence of intent to defraud for a
12 person to possess a lottery ticket or share issued by the State
13 under this Act if he or she knows that ticket or share was
14 falsely made, altered, forged, uttered, passed, or
15 counterfeited.

16 (Source: P.A. 89-466, eff. 6-13-96.)

17 (20 ILCS 1605/14.3)

18 Sec. 14.3. Misuse of proprietary material prohibited.
19 Except as may be provided in Section 7.11, or by bona fide sale
20 or by prior authorization from the Department or the Division,
21 or otherwise by law, all premiums, promotional and other
22 proprietary material produced or acquired by the Division as
23 part of its advertising and promotional activities shall remain
24 the property of the Department. Nothing herein shall be

1 construed to affect the rights or obligations of the Department
2 or any other person under federal or State trademark or
3 copyright laws, nor shall anything herein be construed to
4 prevent the Department or Division from assigning its rights in
5 such property to a Concessionaire pursuant to a Management and
6 Concession Agreement.

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

8 (20 ILCS 1605/15) (from Ch. 120, par. 1165)

9 Sec. 15. Prohibition against minors under 18 years of age
10 and certain other persons purchasing or being furnished lottery
11 tickets or shares. No minor under 18 years of age shall buy a
12 lottery ticket or share. No person shall sell, distribute
13 samples of, or furnish a lottery ticket or share to any minor
14 under 18 years of age, buy a lottery ticket or share for any
15 minor under 18 years of age, or aid and abet in the purchase of
16 lottery tickets or shares by a minor under 18 years of age.

17 No ticket or share shall be purchased by, and no prize
18 shall be paid to any of the following persons: any member of
19 the Board or any officer or other person employed by the Board
20 or by the Department or by the Concessionaire or any party with
21 which the Concessionaire may contract to operate the Lottery;
22 any spouse, child, brother, sister or parent residing as a
23 member of the same household in the principal place of abode of
24 any such persons; or any minor under 18 years of age.

25 Any violation of this Section by a person other than the

1 purchasing minor shall be a Class B misdemeanor; provided, that
2 if any violation of this Section is a subsequent violation, the
3 offender shall be guilty of a Class 4 felony. Notwithstanding
4 any provision to the contrary, a violation of this Section by a
5 minor under 18 years of age shall be a petty offense.

6 (Source: P.A. 90-346, eff. 8-8-97.)

7 (20 ILCS 1605/16) (from Ch. 120, par. 1166)

8 Sec. 16. Violations of Act, rules, or regulations;
9 punishment; enforcement. It shall be a Class B misdemeanor to
10 violate this Act or any rule or regulation promulgated
11 thereunder, or knowingly to submit any false information under
12 this Act or rules or regulations adopted thereunder; except
13 that, if any person engages in such offense after one or more
14 prior convictions under this Act, or any law of the United
15 States or of any State relating to gambling or State operated
16 lotteries, he shall be guilty of a Class 4 felony. It shall be
17 the duty of all State and local law enforcement officers to
18 enforce such Act and regulations.

19 (Source: P.A. 78-3rd S.S.-20.)

20 (20 ILCS 1605/17) (from Ch. 120, par. 1167)

21 Sec. 17. Other laws providing penalty or disability for
22 sale of lottery tickets or shares inapplicable. No other law
23 providing any penalty or disability for the sale of lottery
24 tickets or shares or any acts done in connection with the

1 lottery established under this Act shall apply to the sale of
2 tickets or shares performed pursuant to this Act.

3 (Source: P.A. 81-477.)

4 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

5 Sec. 19. Claiming prizes. The Division shall establish an
6 appropriate period for the claiming of prizes for each lottery
7 game offered. Each claim period shall be stated in game rules
8 and written play instructions issued by the Superintendent in
9 accordance with Section 7.1 of this Act or, if the State enters
10 into a Management and Concession Agreement pursuant to which a
11 Concessionaire shall manage or operate the Lottery, such rules
12 and written play instructions as may be issued in accordance
13 with the terms of the Management and Concession Agreement.

14 Written play instructions shall be made available to all
15 players through sales agents licensed to sell game tickets or
16 shares. Prizes for lottery games which involve the purchase of
17 a physical lottery ticket may be claimed only by presentation
18 of a valid winning lottery ticket that matches validation
19 records on file with the Lottery or, if the State enters into a
20 Management and Concession Agreement pursuant to which a
21 Concessionaire manages or operates the Lottery, the records on
22 file with that Concessionaire; no claim may be honored which is
23 based on the assertion that the ticket was lost or stolen. No
24 lottery ticket which has been altered, mutilated, or fails to
25 pass validation tests shall be deemed to be a winning ticket.

1 If no claim is made for the money within the established
2 claim period, then the unclaimed prize money shall be
3 transferred to the Illinois Education Trust Fund except, in the
4 event the Lottery is operated pursuant to the terms of a
5 Management and Concession Agreement, as may otherwise be
6 provided in such agreement as is then in effect ~~the prize may~~
7 ~~be included in the prize pool of such special drawing or~~
8 ~~drawings as the Division may, from time to time, designate.~~
9 Unclaimed multi-state game prize money may be included in the
10 multi-state prize pool for such special drawing or drawings as
11 the multi-state game directors may, from time to time,
12 designate. ~~Any bonuses offered by the Department to sales~~
13 ~~agents who sell winning tickets or shares shall be payable to~~
14 ~~such agents regardless of whether or not the prize money on the~~
15 ~~ticket or share is claimed, provided that the agent can be~~
16 ~~identified as the vendor of the winning ticket or share, and~~
17 ~~that the winning ticket or share was sold on or after January~~
18 ~~1, 1984. All unclaimed prize money not included in the prize~~
19 ~~pool of a special drawing shall be transferred to the Common~~
20 ~~School Fund.~~

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

22 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

23 Sec. 20. State Lottery Fund.

24 (a) There is created in the State Treasury a special fund
25 to be known as the "State Lottery Fund". Such fund shall

1 consist of all revenues received from (1) the sale of lottery
2 tickets or shares, (net of commissions, fees representing those
3 expenses that are directly proportionate to the sale of tickets
4 or shares at the agent location, and prizes of less than \$600
5 which have been validly paid at the agent level), (2)
6 application fees, and (3) all other sources including moneys
7 credited or transferred thereto from any other fund or source
8 pursuant to law and, if the State enters into a Management and
9 Concession Agreement, any moneys accruing to the State pursuant
10 to the terms of that Agreement. Interest earnings of the State
11 Lottery Fund shall be credited to the Common School Fund.

12 (b) The receipt and distribution of moneys under Section
13 21.5 of this Act shall be in accordance with Section 21.5.

14 (c) The receipt and distribution of moneys under Section
15 21.6 of this Act shall be in accordance with Section 21.6.

16 (d) The receipt and distribution of moneys under Section
17 21.7 of this Act shall be in accordance with Section 21.7.

18 (e) ~~(d)~~ The receipt and distribution of moneys under
19 Section 21.8 ~~21.7~~ of this Act shall be in accordance with
20 Section 21.8 ~~21.7~~.

21 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
22 95-331, eff. 8-21-07; 95-673, eff. 10-11-07; 95-674, eff.
23 10-11-07; revised 12-5-07.)

24 (20 ILCS 1605/20.2 new)

25 Sec. 20.2. Transfer of moneys from State Lottery Fund to

1 Illinois Education Trust Fund. Notwithstanding any provision
2 set forth in this Act or State law to the contrary, on or
3 before the last day of each fiscal year the State Comptroller
4 shall direct and the State Treasurer shall transfer moneys in
5 and revenues received by the State Lottery Fund to the Illinois
6 Education Trust Fund.

7 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

8 Sec. 21. Payments or deposits of moneys and income. All
9 lottery sales agents or distributors shall be liable to the
10 Lottery for any and all tickets accepted or generated by any
11 employee or representative of that agent or distributor, and
12 such tickets shall be deemed to have been purchased by the
13 agent or distributor unless returned to the Lottery or if the
14 State enters into a Management and Concession Agreement
15 pursuant to which a Concessionaire engages sales agents or
16 distributors, to such Concessionaire as may be allowed
17 according to the terms of the Management and Concession
18 Agreement within the time and in the manner prescribed by the
19 Superintendent. All moneys received by such agents or
20 distributors from the sale of lottery tickets or shares, less
21 the amount retained as compensation for the sale of the tickets
22 or shares and the amount paid out as prizes, shall be paid over
23 to a lottery representative or deposited in a bank or savings
24 and loan association approved by the State Treasurer, as
25 prescribed by the Superintendent or, if the State enters into a

1 Management and Concession Agreement pursuant to which those
2 moneys are to be held by a trustee, to that trustee and in
3 accordance with such terms as may be set forth in the
4 Management and Concession Agreement.

5 No bank or savings and loan association shall receive any
6 ~~public~~ funds as permitted by this Section, unless it has
7 complied with the requirements established pursuant to Section
8 6 of the Public Funds Investment Act.

9 Each payment or deposit shall be accompanied by a report of
10 the agent's receipts and transactions in the sale of lottery
11 tickets in such form and containing such information as the
12 Superintendent, or if the State enters into a Management and
13 Concession Agreement, as the Concessionaire may require. Any
14 discrepancies in such receipts and transactions may be resolved
15 as provided by the rules and regulations of the Department.

16 If any money due the Lottery by a sales agent or
17 distributor is not paid when due or demanded, it shall
18 immediately become delinquent and be billed on a subsequent
19 monthly statement. If on the closing date for any monthly
20 statement a delinquent amount previously billed of more than
21 \$50 remains unpaid, interest in such amount shall be accrued at
22 the rate of 2% per month or fraction thereof from the date when
23 such delinquent amount becomes past due until such delinquent
24 amount, including interest, penalty and other costs and charges
25 that the Department may incur in collecting such amounts, is
26 paid. In case any agent or distributor fails to pay any moneys

1 due the Lottery within 30 days after a second bill or statement
2 is rendered to the agent or distributor, such amount shall be
3 deemed seriously delinquent and may be referred by the
4 Department to a collection agency or credit bureau for
5 collection. Any contract entered into by the Department for the
6 collection of seriously delinquent accounts with a collection
7 agency or credit bureau may be satisfied by a commercially
8 reasonable percentage of the delinquent account recouped,
9 which shall be negotiated by the Department in accordance with
10 commercially accepted standards. Any costs incurred by the
11 Department or others authorized to act in its behalf in
12 collecting such delinquencies may be assessed against the agent
13 or distributor and included as a part of the delinquent
14 account.

15 In case of failure of an agent or distributor to pay a
16 seriously delinquent amount, or any portion thereof to the
17 State, including interest, penalty and costs, the Division may
18 issue a Notice of Assessment. In determining amounts shown on
19 the Notice of Assessment, the Division shall utilize the
20 financial information available from its records. Such Notice
21 of Assessment shall be prima facie correct and shall be prima
22 facie evidence of delinquent sums due under this Section at any
23 hearing before the Board, or its Hearing Officers, or at any
24 other legal proceeding. Reproduced copies of the Division's
25 records relating to a delinquent account or a Notice of
26 Assessment offered in the name of the Department, under the

1 Certificate of the Director or any officer or employee of the
2 Department designated in writing by the Director shall, without
3 further proof, be admitted into evidence in any such hearing or
4 any legal proceeding and shall be prima facie proof of the
5 delinquency, including principal and any interest, penalties
6 and costs, as shown thereon. The Attorney General may bring
7 suit on behalf of the Department to collect all such delinquent
8 amounts, or any portion thereof, including interest, penalty
9 and costs, due the Lottery.

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

21 The Director may make such arrangements for any person(s),
22 financial institution, ~~banks, savings and loan associations~~ or
23 distributors, to perform such functions, activities or
24 services in connection with the operation of the lottery as he
25 deems advisable pursuant to this Act, the State Comptroller
26 Act, or the rules and regulations of the Department, and such

1 functions, activities or services shall constitute lawful
2 functions, activities and services of such person(s), banks,
3 savings and loan associations or distributors.

4 All income arising out of any activity or purpose of the
5 Division shall, pursuant to the State Finance Act, be paid into
6 the State Treasury except as otherwise provided by the rules
7 and regulations of the Department and shall be covered into a
8 special fund to be known as the State Lottery Fund. Banks and
9 savings and loan associations may be compensated for services
10 rendered based upon the activity and amount of funds on
11 deposit.

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

13 (20 ILCS 1605/21.2) (from Ch. 120, par. 1171.2)

14 Sec. 21.2. (Repealed.) ~~There is created a special fund in~~
15 ~~the State Treasury known as the Illinois Land Grant Collegiate~~
16 ~~Athletics Fund. The Department shall designate a special~~
17 ~~lottery game of its choosing which it shall prepare and offer~~
18 ~~for sale to the public, the net proceeds from which shall be~~
19 ~~transferred to such fund for distribution to the University of~~
20 ~~Illinois Athletic Association as otherwise authorized by law.~~

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

22 (20 ILCS 1605/21.3) (from Ch. 120, par. 1171.3)

23 Sec. 21.3. Officer of corporation; personal liability. Any
24 officer of any corporation licensed as an agent for the sale of

1 Lottery tickets and products shall be personally liable for the
2 total amount of Lottery receipts due the Department which are
3 unpaid by the corporation, together with any interest and
4 penalties thereon assessed in accordance with the provision of
5 Section 21 of the Act.

6 The personal liability of a corporate officer as provided
7 herein shall survive the dissolution of the corporation. No
8 action to enforce such personal liability shall be commenced
9 unless a notice of the delinquent account has been sent to such
10 corporate officer at the address shown on the Lottery records
11 or otherwise known to Department officials, and no such action
12 shall be commenced after the expiration of 3 years from the
13 date of the Department's notice of delinquent account or the
14 termination of any court proceedings with respect to the issue
15 of the delinquency of a corporation.

16 Procedures for protest and review of a notice of the
17 Department's intention to enforce personal liability against a
18 corporate officer shall be the same as those prescribed for
19 protest and review of the Notice of Assessment as set forth in
20 Section 7.3 of this Act.

21 (Source: P.A. 88-522.)

22 (20 ILCS 1605/21.5)

23 Sec. 21.5. Superintendent Carolyn Adams Ticket For The
24 Cure.

25 (a) The Department shall offer a special instant

1 scratch-off game with the title of "Carolyn Adams Ticket For
2 The Cure". The game shall commence on January 1, 2006 or as
3 soon thereafter, in the discretion of the Director, as is
4 reasonably practical, and shall be discontinued on December 31,
5 2011. The operation of the game shall be governed by this Act
6 and any rules adopted by the Department. The Department must
7 consult with the Ticket For The Cure Board, which is
8 established under Section 2310-347 of the Department of Public
9 Health Powers and Duties Law of the Civil Administrative Code
10 of Illinois, regarding the design and promotion of the game. If
11 any provision of this Section is inconsistent with any other
12 provision of this Act, then this Section governs.

13 (b) The Ticket For The Cure Fund is created as a special
14 fund in the State treasury. The net revenue from the Carolyn
15 Adams Ticket For The Cure special instant scratch-off game
16 shall be deposited into the Fund for appropriation by the
17 General Assembly solely to the Department of Public Health for
18 the purpose of making grants to public or private entities in
19 Illinois for the purpose of funding research concerning breast
20 cancer and for funding services for breast cancer victims. The
21 Department must, before grants are awarded, provide copies of
22 all grant applications to the Ticket For The Cure Board,
23 receive and review the Board's recommendations and comments,
24 and consult with the Board regarding the grants. For purposes
25 of this Section, the term "research" includes, without
26 limitation, expenditures to develop and advance the

1 understanding, techniques, and modalities effective in the
2 detection, prevention, screening, and treatment of breast
3 cancer and may include clinical trials. The grant funds may not
4 be used for institutional, organizational, or community-based
5 overhead costs, indirect costs, or levies.

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

12 For purposes of this subsection, "net revenue" means the
13 total amount for which tickets have been sold less the sum of
14 the amount paid out in prizes and the actual administrative
15 expenses of the Department solely related to the Carolyn Adams
16 Ticket For The Cure game.

17 (c) During the time that tickets are sold for the Carolyn
18 Adams Ticket For The Cure game, the Department shall not
19 unreasonably diminish the efforts devoted to marketing any
20 other instant scratch-off lottery game.

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

23 (Source: P.A. 94-120, eff. 7-6-05.)

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

25 Sec. 24. Preaudit of accounts and transactions by State

1 Comptroller; post-audits by Auditor General. The State
2 Comptroller shall conduct a preaudit of all accounts and
3 transactions of the Department in connection with the operation
4 of the State Lottery under the State Comptroller Act, excluding
5 payments issued by the Department for prizes of \$25,000 or
6 less.

7 The Auditor General or a certified public accountant firm
8 appointed by him shall conduct an annual post-audit of all
9 accounts and transactions of the Department in connection with
10 the operation of the State Lottery and other special post
11 audits as the Auditor General, the Legislative Audit
12 Commission, or the General Assembly deems necessary. The annual
13 post-audits shall include payments made by lottery sales agents
14 of prizes of less than \$600 authorized under Section 20, and
15 payments made by the Department of prizes up to \$25,000
16 authorized under Section 20.1. The Auditor General or his agent
17 conducting an audit under this Act shall have access and
18 authority to examine any and all records of the Department or
19 the Board, its distributing agents and its licensees.

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

21 (20 ILCS 1605/25) (from Ch. 120, par. 1175)

22 Sec. 25. Review under Administrative Review Law. Any party
23 adversely affected by a final order or determination of the
24 Board or the Department may obtain judicial review, by filing a
25 petition for review within 35 days after the entry of the order

1 or other final action complained of, pursuant to the provisions
2 of the Administrative Review Law, as amended and the rules
3 adopted pursuant thereto.

4 (Source: P.A. 82-783.)

5 (20 ILCS 1605/26) (from Ch. 120, par. 1176)

6 Sec. 26. Severability of invalid provisions or
7 applications. If any clause, sentence, paragraph, subdivision,
8 Section, provision or other portion of this Act or the
9 application thereof to any person or circumstances is held to
10 be invalid, such holding shall not affect, impair or invalidate
11 the remainder of this Act or the application of such portion
12 held invalid to any other person or circumstances, but shall be
13 confined in its operation to the clause, sentence, paragraph,
14 subdivision, provision or other portion thereof directly
15 involved in such holding or to the person and circumstances
16 therein involved.

17 (Source: P.A. 78-3rd S.S.-20.)

18 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

19 Sec. 27. Contracts; investments; proceeds; Deferred
20 Lottery Prize Winners Trust Fund; disbursements; State Lottery
21 Fund; Lottery Concession Fund; Lottery Escrow Account.

22 (a) The State Treasurer may, with the consent of the
23 Director, contract with any person or corporation, including,
24 without limitation, a bank, banking house, trust company or

1 investment banking firm, to perform such financial functions,
2 activities or services in connection with operation of the
3 lottery as the State Treasurer and the Director may prescribe.

4 (b) All proceeds from investments made pursuant to
5 contracts executed by the State Treasurer, with the consent of
6 the Director, to perform financial functions, activities or
7 services in connection with operation of the lottery, shall be
8 deposited and held by the State Treasurer as ex-officio
9 custodian thereof, separate and apart from all public money or
10 funds of this State in a special trust fund outside the State
11 treasury. Such trust fund shall be known as the "Deferred
12 Lottery Prize Winners Trust Fund", and shall be administered by
13 the Director.

14 The Director shall, at such times and in such amounts as
15 shall be necessary, prepare and send to the State Comptroller
16 vouchers requesting payment from the Deferred Lottery Prize
17 Winners Trust Fund to deferred prize winners, in a manner that
18 will insure the timely payment of such amounts owed.

19 This Act shall constitute an irrevocable appropriation of
20 all amounts necessary for that purpose, and the irrevocable and
21 continuing authority for and direction to the Director and the
22 State Treasurer to make the necessary payments out of such
23 trust fund for that purpose. In the event that the State shall
24 enter into a Management and Concession Agreement, this Section
25 27(b) shall not apply to any prizes awarded after the closing
26 date of the Management and Concession Agreement.

1 (c) Moneys invested pursuant to subsection (a) of this
2 Section may be invested only in bonds, notes, certificates of
3 indebtedness, treasury bills, or other securities constituting
4 direct obligations of the United States of America and all
5 securities or obligations the prompt payment of principal and
6 interest of which is guaranteed by a pledge of the full faith
7 and credit of the United States of America. Interest earnings
8 on moneys in the Deferred Lottery Prize Winners Trust Fund
9 shall remain in such fund and be used to pay the winners of
10 lottery prizes deferred as to payment until such obligations
11 are discharged. Proceeds from bonds purchased and interest
12 accumulated as a result of a grand prize multi-state game
13 ticket that goes unclaimed will be transferred after the
14 termination of the relevant claim period directly from the
15 lottery's Deferred Lottery Prize Winners Trust Fund to each
16 respective multi-state partner state according to its
17 contribution ratio. All moneys invested pursuant to the terms
18 of any Management and Concession Agreement into which the State
19 may enter, shall be subject to the provisions of this
20 subsection.

21 (c-5) If a deferred lottery prize is not claimed within the
22 claim period established by game rule, then the securities or
23 other instruments purchased to fund the prize shall be
24 liquidated and the liquidated amount shall be transferred to
25 the State Lottery Fund for disposition pursuant to Section 19
26 of this Act. In the event that the State shall enter into a

1 Management and Concession Agreement, this Section 27(c-5)
2 shall not apply to any prizes awarded after the closing date of
3 the Management and Concession Agreement.

4 (c-10) The Director may use a portion of the moneys in the
5 Deferred Lottery Prize Winners Trust Fund to purchase bonds to
6 pay a lifetime prize if the prize duration exceeds the length
7 of available securities. If the winner of a lifetime prize
8 exceeds his or her life expectancy as determined using
9 actuarial assumptions and the securities or moneys set aside to
10 pay the prize have been exhausted, moneys in the State Lottery
11 Fund shall be used to make payments to the winner for the
12 duration of the winner's life. In the event that the State
13 shall enter into a Management and Concession Agreement, this
14 Section 27(c-10) shall not apply to any prizes awarded after
15 the closing date of the Management and Concession Agreement.

16 (c-15) From time to time, the Director may request that the
17 State Comptroller transfer any excess moneys in the Deferred
18 Lottery Prize Winners Trust Fund to the Lottery Fund. In the
19 event that the State shall enter into a Management and
20 Concession Agreement, this Section 27(c-15) shall not apply to
21 any prizes awarded after the closing date of the Management and
22 Concession Agreement.

23 (c-20) In the event that the State shall enter into a
24 Management and Concession Agreement pursuant to which a
25 Concessionaire is authorized to manage or operate the Lottery,
26 there shall be created a fund to be known as the Lottery

1 Concession Trust Fund, which shall be a special,
2 non-appropriated trust fund held outside the State treasury and
3 separate and apart from all public money and funds of this
4 State. All proceeds from the sale of lottery tickets or shares
5 and all other revenue from the State's conduct of the Lottery
6 as authorized under this amendatory Act of the 95th General
7 Assembly, including lottery revenues a Concessionaire may be
8 eligible to receive under a Management and Concession
9 Agreement, shall be paid into the Fund.

10 The Fund shall begin to receive lottery proceeds and
11 revenues on the date that a Management and Concession Agreement
12 first becomes effective, and moneys in the Fund shall not at
13 any time during the term of such an agreement be appropriated
14 or diverted to any other use or purpose. The Fund shall be held
15 by an Illinois trustee designated pursuant to the Concession
16 and Management Agreement. All interest or other earnings
17 accruing or received on amounts in the Fund shall be credited
18 to and retained by the Fund. The Fund shall be held,
19 administered, invested, and disbursed in accordance with the
20 trust agreement and the Management and Concession Agreement.

21 (c-25) Certain funds of the Concessionaire shall be held in
22 escrow in an escrow fund to be known as the Illinois Lottery
23 Escrow Account. The escrow shall be held by the escrow agent
24 designated pursuant to the escrow agreement between the
25 Department and the Concessionaire in order to secure
26 performance under the Management and Concession Agreement.

1 Under certain circumstances the Concessionaire may be entitled
2 to certain funds out of the escrow. The State shall receive the
3 interest or other earnings accrued on the amount in escrow, and
4 shall be entitled to receive the balance of the escrowed funds
5 upon the termination of the escrow.

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

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

9 Section 10. The State Finance Act is amended by adding
10 Sections 5.708 and 5.709 as follows:

11 (30 ILCS 105/5.708 new)

12 Sec. 5.708. The Illinois Works Fund.

13 (30 ILCS 105/5.709 new)

14 Sec. 5.709. The Illinois Education Trust Fund.

15 Section 15. The Illinois Procurement Code is amended by
16 changing Section 50-70 as follows:

17 (30 ILCS 500/50-70)

18 Sec. 50-70. Additional provisions. This Code is subject to
19 applicable provisions of the following Acts:

20 (1) Article 33E of the Criminal Code of 1961;

21 (2) the Illinois Human Rights Act;

- 1 (3) the Discriminatory Club Act;
- 2 (4) the Illinois Governmental Ethics Act;
- 3 (5) the State Prompt Payment Act;
- 4 (6) the Public Officer Prohibited Activities Act;
- 5 (7) the Drug Free Workplace Act; ~~and~~
- 6 (8) the Illinois Power Agency Act; ~~and~~
- 7 (9) ~~(8)~~ the Employee Classification Act; and ~~and~~
- 8 (10) The Illinois Lottery Law.

9 (Source: P.A. 95-26, eff. 1-1-08; 95-481, eff. 8-28-07; revised
10 11-2-07.)

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