

Sen. John J. Cullerton

## Filed: 4/3/2008

|    | 09500SB2099sam002 LRB095 19297 AMC 48909 a                      |
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| 1  | AMENDMENT TO SENATE BILL 2099                                   |
| 2  | AMENDMENT NO Amend Senate Bill 2099, AS AMENDED,                |
| 3  | by replacing everything after the enacting clause with the      |
| 4  | following:  |
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| 5  | "Section 5. The Illinois Lottery Law is amended by adding       |
| 6  | Sections 7.12, 7.15, and 7.16 as follows:                       |
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| 7  | (20 ILCS 1605/7.12 new)   |
| 8  | Sec. 7.12. Internet pilot program. The Department shall         |
| 9  | create a pilot program that allows the purchase of lottery      |
| 10 | tickets or shares on the Internet. The Department shall adopt   |
| 11 | rules necessary for the administration of this program. The     |
| 12 | provisions of this Act and the rules adopted under this Act     |
| 13 | shall apply to the sale of lottery tickets or shares under this |
| 14 | program.  |
| 15 | Before beginning the pilot program, the Department of           |
| 16 | Revenue must seek a clarifying memo from the federal Department |

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1 of Justice that it is legal for Illinois residents to purchase the private company to sell lottery tickets on the Internet on 2 behalf of the State of Illinois under the federal Unlawful 3 4 Internet Gambling Enforcement Act of 2006. 5 The pilot program must be conducted pursuant to a contract 6 with a private vendor that has the expertise, technical capability, and knowledge of the Illinois lottery marketplace 7 to conduct the program. The contract to fulfill the program 8 9 requirements must be separate from existing lottery contracts. 10 The Department of the Lottery must ensure cooperation from 11 existing vendors for the program. The pilot program shall last for not less than 36 months, 12 13 but not more than 48 months. 14 Results from the pilot program in terms of sales and 15 profits, as well as biannual reports as to market penetration 16 and controls, shall be used in any calculation of the lottery's potential worth in the case of a lease or sale of the right to 17 18 operate the lottery. 19 (20 ILCS 1605/7.15 new)

20 <u>Sec. 7.15. Verification of age for Internet program;</u> 21 <u>security for on-line lottery accounts. The Department shall, by</u> 22 <u>rule, establish a procedure to verify that a person is 18 years</u> 23 <u>of age or older before he or she may establish an on-line</u> 24 <u>lottery account and purchase lottery tickets or shares through</u> 25 <u>the Internet program. By rule, the Department shall establish</u> 09500SB2099sam002 -3- LRB095 19297 AMC 48909 a

1 funding procedures for on-line lottery accounts and shall 2 provide a mechanism for each on-line lottery account to have a personal identification number to prevent the unauthorized use 3 4 of on-line lottery accounts. 5 The Department shall award contracts for the development 6 and provision of technology and controls to ensure compliance 7 with the age requirements for the purchase of lottery tickets 8 on the Internet pursuant to competitive bidding processes. 9 (20 ILCS 1605/7.16 new)

Sec. 7.16. Residency restrictions; limits on monthly 10 Internet purchases; Internet program games. The Department 11 12 may, by rule, limit the persons authorized to purchase lottery 13 tickets on-line to Illinois residents and may, by rule, set a 14 limitation on the monthly purchases that may be made through any individual lottery account. All Lotto and Mega Million 15 games offered by the Illinois Lottery shall be offered to 16 on-line players, but the Department is authorized to determine 17 18 which additional lottery games may be offered through the 19 Internet program.

20 <u>The Department shall award contracts for the development</u> 21 <u>and provision of technology and controls to ensure compliance</u> 22 <u>with the residency requirements for the purchase of lottery</u> 23 <u>tickets on the Internet pursuant to competitive bidding</u> 24 processes. 09500SB2099sam002

1 Section 10. The Criminal Code of 1961 is amended by changing Section 28-1 as follows: 2 3 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1) 4 Sec. 28-1. Gambling. (a) A person commits gambling when he: 5 (1) Plays a game of chance or skill for money or other 6 7 thing of value, unless excepted in subsection (b) of this 8 Section; or 9 (2) Makes a wager upon the result of any game, contest, or any political nomination, appointment or election; or 10 (3) Operates, keeps, owns, uses, purchases, exhibits, 11 12 rents, sells, bargains for the sale or lease of, 13 manufactures or distributes any gambling device; or 14 (4) Contracts to have or give himself or another the option to buy or sell, or contracts to buy or sell, at a 15 16 future time, any grain or other commodity whatsoever, or 17 any stock or security of any company, where it is at the 18 time of making such contract intended by both parties 19 thereto that the contract to buy or sell, or the option, 20 whenever exercised, or the contract resulting therefrom, 21 shall be settled, not by the receipt or delivery of such 22 property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, 23 24 endorsement or guarantee, by or through a person registered 25 with the Secretary of State pursuant to Section 8 of the 09500SB2099sam002 -5- LRB095 19297 AMC 48909 a

1 Illinois Securities Law of 1953, or by or through a person 2 exempt from such registration under said Section 8, of a 3 put, call, or other option to buy or sell securities which 4 have been registered with the Secretary of State or which 5 are exempt from such registration under Section 3 of the 6 Illinois Securities Law of 1953 is not gambling within the 7 meaning of this paragraph (4); or

8 (5) Knowingly owns or possesses any book, instrument or 9 apparatus by means of which bets or wagers have been, or 10 are, recorded or registered, or knowingly possesses any 11 money which he has received in the course of a bet or 12 wager; or

13 (6) Sells pools upon the result of any game or contest
14 of skill or chance, political nomination, appointment or
15 election; or

16 (7) Sets up or promotes any lottery or sells, offers to
17 sell or transfers any ticket or share for any lottery; or

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

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

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any other state or foreign government; or

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

(11) Knowingly transmits information as to wagers, 6 7 betting odds, or changes in betting odds by telephone, 8 telegraph, radio, semaphore or similar means; or knowingly 9 installs or maintains equipment for the transmission or 10 receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such 11 information for use in news reporting of sporting events or 12 13 contests; or

14 (12) Knowingly establishes, maintains, or operates an 15 Internet site that permits a person to play a game of 16 chance or skill for money or other thing of value by means 17 of the Internet or to make a wager upon the result of any 18 game, contest, political nomination, appointment, or 19 election by means of the Internet.

(b) Participants in any of the following activities shallnot be convicted of gambling therefor:

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

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(2) Offers of prizes, award or compensation to the

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actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.+

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

6 (4) Manufacture of gambling devices, including the 7 acquisition of essential parts therefor and the assembly 8 thereof, for transportation in interstate or foreign 9 commerce to any place outside this State when such 10 transportation is not prohibited by any applicable Federal 11 law<u>.</u>+

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

14 (6) Lotteries when conducted by the State of Illinois
15 in accordance with the Illinois Lottery Law. This exemption
16 <u>includes any activity conducted by the Department of</u>
17 <u>Revenue to sell lottery tickets pursuant to the provisions</u>
18 <u>of the Illinois Lottery Law and its rules.</u>

19 (6.1) The purchase of lottery tickets through the 20 Internet for a lottery conducted by the State of Illinois 21 under the program established in Section 7.12 of the 22 Illinois Lottery Law.

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

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1 slot machine is one manufactured 25 years ago or earlier.+ (8) Raffles when conducted in accordance with the 2 3 Raffles Act.+ 4 (9) Charitable games when conducted in accordance with 5 the Charitable Games Act.+ (10) Pull tabs and jar games when conducted under the 6 7 Illinois Pull Tabs and Jar Games Act.; or 8 (11) Gambling games conducted on riverboats when 9 authorized by the Riverboat Gambling Act. 10 (c) Sentence. Gambling under subsection (a) (1) or (a) (2) of this Section 11 is a Class A misdemeanor. Gambling under any of subsections 12 13 (a) (3) through (a) (11) of this Section is a Class А 14 misdemeanor. A second or subsequent conviction under any of 15 subsections (a) (3) through (a) (11), is a Class 4 felony. 16 Gambling under subsection (a) (12) of this Section is a Class A misdemeanor. A second or subsequent conviction under 17 18 subsection (a)(12) is a Class 4 felony.

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(d) Circumstantial evidence.

In prosecutions under subsection (a)(1) through (a)(12) of this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

23 (Source: P.A. 91-257, eff. 1-1-00.)

24 Section 99. Effective date. This Act takes effect upon 25 becoming law.".