



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB6133

Introduced 2/11/2016, by Rep. Frances Ann Hurley

#### SYNOPSIS AS INTRODUCED:

20 ILCS 1605/2	from Ch. 120, par. 1152
20 ILCS 1605/9.1	
20 ILCS 1605/20	from Ch. 120, par. 1170
20 ILCS 1605/21.10 new	
30 ILCS 105/5.875 new	

Amends the Illinois Lottery Law. Requires the Department of the Lottery, beginning on July 1, 2017, to offer a special instant scratch-off game for the purpose of helping to fund the police and firefighter pension funds created under Articles 3 and 4 of the Illinois Pension Code. Requires the net revenue from that game to be deposited into the Downstate Police and Firefighter Pension Distributive Fund. Provides that, subject to appropriation, moneys in the Fund shall be used by the Department of Insurance for making grants to each pension fund established under Article 3 or 4 of the Illinois Pension Code. Terminates the game when the amount collected for distribution reaches \$2,500,000. Authorizes the adoption of rules necessary to implement and administer the game and the resulting distributions. Amends the State Finance Act to create the Fund. Effective immediately.

LRB099 19432 EFG 43824 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Lottery Law is amended by changing  
5 Sections 2, 9.1, and 20 and by adding Section 21.10 as follows:

6 (20 ILCS 1605/2) (from Ch. 120, par. 1152)

7 Sec. 2. This Act is enacted to implement and establish  
8 within the State a lottery to be conducted by the State through  
9 the Department. The entire net proceeds of the Lottery are to  
10 be used for the support of the State's Common School Fund,  
11 except as provided in subsection (o) of Section 9.1 and  
12 Sections 21.2, 21.5, 21.6, 21.7, 21.8, ~~and 21.9,~~ and 21.10. The  
13 General Assembly finds that it is in the public interest for  
14 the Department to conduct the functions of the Lottery with the  
15 assistance of a private manager under a management agreement  
16 overseen by the Department. The Department shall be accountable  
17 to the General Assembly and the people of the State through a  
18 comprehensive system of regulation, audits, reports, and  
19 enduring operational oversight. The Department's ongoing  
20 conduct of the Lottery through a management agreement with a  
21 private manager shall act to promote and ensure the integrity,  
22 security, honesty, and fairness of the Lottery's operation and  
23 administration. It is the intent of the General Assembly that

1 the Department shall conduct the Lottery with the assistance of  
2 a private manager under a management agreement at all times in  
3 a manner consistent with 18 U.S.C. 1307(a)(1), 1307(b)(1),  
4 1953(b)(4).

5 (Source: P.A. 98-649, eff. 6-16-14.)

6 (20 ILCS 1605/9.1)

7 Sec. 9.1. Private manager and management agreement.

8 (a) As used in this Section:

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

11 "Request for qualifications" means all materials and  
12 documents prepared by the Department to solicit the following  
13 from offerors:

14 (1) Statements of qualifications.

15 (2) Proposals to enter into a management agreement,  
16 including the identity of any prospective vendor or vendors  
17 that the offeror intends to initially engage to assist the  
18 offeror in performing its obligations under the management  
19 agreement.

20 "Final offer" means the last proposal submitted by an  
21 offeror in response to the request for qualifications,  
22 including the identity of any prospective vendor or vendors  
23 that the offeror intends to initially engage to assist the  
24 offeror in performing its obligations under the management  
25 agreement.

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

4 (b) By September 15, 2010, the Governor shall select a  
5 private manager for the total management of the Lottery with  
6 integrated functions, such as lottery game design, supply of  
7 goods and services, and advertising and as specified in this  
8 Section.

9 (c) Pursuant to the terms of this subsection, the  
10 Department shall endeavor to expeditiously terminate the  
11 existing contracts in support of the Lottery in effect on the  
12 effective date of this amendatory Act of the 96th General  
13 Assembly in connection with the selection of the private  
14 manager. As part of its obligation to terminate these contracts  
15 and select the private manager, the Department shall establish  
16 a mutually agreeable timetable to transfer the functions of  
17 existing contractors to the private manager so that existing  
18 Lottery operations are not materially diminished or impaired  
19 during the transition. To that end, the Department shall do the  
20 following:

21 (1) where such contracts contain a provision  
22 authorizing termination upon notice, the Department shall  
23 provide notice of termination to occur upon the mutually  
24 agreed timetable for transfer of functions;

25 (2) upon the expiration of any initial term or renewal  
26 term of the current Lottery contracts, the Department shall

1 not renew such contract for a term extending beyond the  
2 mutually agreed timetable for transfer of functions; or

3 (3) in the event any current contract provides for  
4 termination of that contract upon the implementation of a  
5 contract with the private manager, the Department shall  
6 perform all necessary actions to terminate the contract on  
7 the date that coincides with the mutually agreed timetable  
8 for transfer of functions.

9 If the contracts to support the current operation of the  
10 Lottery in effect on the effective date of this amendatory Act  
11 of the 96th General Assembly are not subject to termination as  
12 provided for in this subsection (c), then the Department may  
13 include a provision in the contract with the private manager  
14 specifying a mutually agreeable methodology for incorporation.

15 (c-5) The Department shall include provisions in the  
16 management agreement whereby the private manager shall, for a  
17 fee, and pursuant to a contract negotiated with the Department  
18 (the "Employee Use Contract"), utilize the services of current  
19 Department employees to assist in the administration and  
20 operation of the Lottery. The Department shall be the employer  
21 of all such bargaining unit employees assigned to perform such  
22 work for the private manager, and such employees shall be State  
23 employees, as defined by the Personnel Code. Department  
24 employees shall operate under the same employment policies,  
25 rules, regulations, and procedures, as other employees of the  
26 Department. In addition, neither historical representation

1 rights under the Illinois Public Labor Relations Act, nor  
2 existing collective bargaining agreements, shall be disturbed  
3 by the management agreement with the private manager for the  
4 management of the Lottery.

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

7 (1) A term not to exceed 10 years, including any  
8 renewals.

9 (2) A provision specifying that the Department:

10 (A) shall exercise actual control over all  
11 significant business decisions;

12 (A-5) has the authority to direct or countermand  
13 operating decisions by the private manager at any time;

14 (B) has ready access at any time to information  
15 regarding Lottery operations;

16 (C) has the right to demand and receive information  
17 from the private manager concerning any aspect of the  
18 Lottery operations at any time; and

19 (D) retains ownership of all trade names,  
20 trademarks, and intellectual property associated with  
21 the Lottery.

22 (3) A provision imposing an affirmative duty on the  
23 private manager to provide the Department with material  
24 information and with any information the private manager  
25 reasonably believes the Department would want to know to  
26 enable the Department to conduct the Lottery.

1           (4) A provision requiring the private manager to  
2 provide the Department with advance notice of any operating  
3 decision that bears significantly on the public interest,  
4 including, but not limited to, decisions on the kinds of  
5 games to be offered to the public and decisions affecting  
6 the relative risk and reward of the games being offered, so  
7 the Department has a reasonable opportunity to evaluate and  
8 countermand that decision.

9           (5) A provision providing for compensation of the  
10 private manager that may consist of, among other things, a  
11 fee for services and a performance based bonus as  
12 consideration for managing the Lottery, including terms  
13 that may provide the private manager with an increase in  
14 compensation if Lottery revenues grow by a specified  
15 percentage in a given year.

16           (6) (Blank).

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

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

22           (8-5) A provision encouraging that at least 20% of the  
23 cost of contracts entered into for goods and services by  
24 the private manager in connection with its management of  
25 the Lottery, other than contracts with sales agents or  
26 technical advisors, be awarded to businesses that are a

1 minority owned business, a female owned business, or a  
2 business owned by a person with disability, as those terms  
3 are defined in the Business Enterprise for Minorities,  
4 Females, and Persons with Disabilities Act.

5 (9) A requirement that so long as the private manager  
6 complies with all the conditions of the agreement under the  
7 oversight of the Department, the private manager shall have  
8 the following duties and obligations with respect to the  
9 management of the Lottery:

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

12 (B) The rights and obligations under contracts  
13 with retailers and vendors.

14 (C) The implementation of a comprehensive security  
15 program by the private manager.

16 (D) The implementation of a comprehensive system  
17 of internal audits.

18 (E) The implementation of a program by the private  
19 manager to curb compulsive gambling by persons playing  
20 the Lottery.

21 (F) A system for determining (i) the type of  
22 Lottery games, (ii) the method of selecting winning  
23 tickets, (iii) the manner of payment of prizes to  
24 holders of winning tickets, (iv) the frequency of  
25 drawings of winning tickets, (v) the method to be used  
26 in selling tickets, (vi) a system for verifying the



1 validity of tickets claimed to be winning tickets,  
2 (vii) the basis upon which retailer commissions are  
3 established by the manager, and (viii) minimum  
4 payouts.

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

7 (11) A requirement that the private manager market the  
8 Lottery to those residents who are new, infrequent, or  
9 lapsed players of the Lottery, especially those who are  
10 most likely to make regular purchases on the Internet as  
11 permitted by law.

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

14 (13) A requirement that the Department monitor and  
15 oversee the private manager's practices and take action  
16 that the Department considers appropriate to ensure that  
17 the private manager is in compliance with the terms of the  
18 management agreement, while allowing the manager, unless  
19 specifically prohibited by law or the management  
20 agreement, to negotiate and sign its own contracts with  
21 vendors.

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

26 (15) Cash reserves requirements.

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

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

7           (18) Procedures for amendment of the agreement.

8           (19) A provision requiring the private manager to  
9 engage in an open and competitive bidding process for any  
10 procurement having a cost in excess of \$50,000 that is not  
11 a part of the private manager's final offer. The process  
12 shall favor the selection of a vendor deemed to have  
13 submitted a proposal that provides the Lottery with the  
14 best overall value. The process shall not be subject to the  
15 provisions of the Illinois Procurement Code, unless  
16 specifically required by the management agreement.

17           (20) The transition of rights and obligations,  
18 including any associated equipment or other assets used in  
19 the operation of the Lottery, from the manager to any  
20 successor manager of the lottery, including the  
21 Department, following the termination of or foreclosure  
22 upon the management agreement.

23           (21) Right of use of copyrights, trademarks, and  
24 service marks held by the Department in the name of the  
25 State. The agreement must provide that any use of them by  
26 the manager shall only be for the purpose of fulfilling its

1 obligations under the management agreement during the term  
2 of the agreement.

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

7 (e) Notwithstanding any other law to the contrary, the  
8 Department shall select a private manager through a competitive  
9 request for qualifications process consistent with Section  
10 20-35 of the Illinois Procurement Code, which shall take into  
11 account:

12 (1) the offeror's ability to market the Lottery to  
13 those residents who are new, infrequent, or lapsed players  
14 of the Lottery, especially those who are most likely to  
15 make regular purchases on the Internet;

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

19 (3) the offeror's ability to provide the most  
20 successful management of the Lottery for the benefit of the  
21 people of the State based on current and past business  
22 practices or plans of the offeror; and

23 (4) the offeror's poor or inadequate past performance  
24 in servicing, equipping, operating or managing a lottery on  
25 behalf of Illinois, another State or foreign government and  
26 attracting persons who are not currently regular players of

1 a lottery.

2 (f) The Department may retain the services of an advisor or  
3 advisors with significant experience in financial services or  
4 the management, operation, and procurement of goods, services,  
5 and equipment for a government-run lottery to assist in the  
6 preparation of the terms of the request for qualifications and  
7 selection of the private manager. Any prospective advisor  
8 seeking to provide services under this subsection (f) shall  
9 disclose any material business or financial relationship  
10 during the past 3 years with any potential offeror, or with a  
11 contractor or subcontractor presently providing goods,  
12 services, or equipment to the Department to support the  
13 Lottery. The Department shall evaluate the material business or  
14 financial relationship of each prospective advisor. The  
15 Department shall not select any prospective advisor with a  
16 substantial business or financial relationship that the  
17 Department deems to impair the objectivity of the services to  
18 be provided by the prospective advisor. During the course of  
19 the advisor's engagement by the Department, and for a period of  
20 one year thereafter, the advisor shall not enter into any  
21 business or financial relationship with any offeror or any  
22 vendor identified to assist an offeror in performing its  
23 obligations under the management agreement. Any advisor  
24 retained by the Department shall be disqualified from being an  
25 offeror. The Department shall not include terms in the request  
26 for qualifications that provide a material advantage whether

1 directly or indirectly to any potential offeror, or any  
2 contractor or subcontractor presently providing goods,  
3 services, or equipment to the Department to support the  
4 Lottery, including terms contained in previous responses to  
5 requests for proposals or qualifications submitted to  
6 Illinois, another State or foreign government when those terms  
7 are uniquely associated with a particular potential offeror,  
8 contractor, or subcontractor. The request for proposals  
9 offered by the Department on December 22, 2008 as  
10 "LOT08GAMESYS" and reference number "22016176" is declared  
11 void.

12 (g) The Department shall select at least 2 offerors as  
13 finalists to potentially serve as the private manager no later  
14 than August 9, 2010. Upon making preliminary selections, the  
15 Department shall schedule a public hearing on the finalists'  
16 proposals and provide public notice of the hearing at least 7  
17 calendar days before the hearing. The notice must include all  
18 of the following:

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

20 (2) The subject matter of the hearing.

21 (3) A brief description of the management agreement to  
22 be awarded.

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

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

26 (h) At the public hearing, the Department shall (i) provide

1 sufficient time for each finalist to present and explain its  
2 proposal to the Department and the Governor or the Governor's  
3 designee, including an opportunity to respond to questions  
4 posed by the Department, Governor, or designee and (ii) allow  
5 the public and non-selected offerors to comment on the  
6 presentations. The Governor or a designee shall attend the  
7 public hearing. After the public hearing, the Department shall  
8 have 14 calendar days to recommend to the Governor whether a  
9 management agreement should be entered into with a particular  
10 finalist. After reviewing the Department's recommendation, the  
11 Governor may accept or reject the Department's recommendation,  
12 and shall select a final offeror as the private manager by  
13 publication of a notice in the Illinois Procurement Bulletin on  
14 or before September 15, 2010. The Governor shall include in the  
15 notice a detailed explanation and the reasons why the final  
16 offeror is superior to other offerors and will provide  
17 management services in a manner that best achieves the  
18 objectives of this Section. The Governor shall also sign the  
19 management agreement with the private manager.

20 (i) Any action to contest the private manager selected by  
21 the Governor under this Section must be brought within 7  
22 calendar days after the publication of the notice of the  
23 designation of the private manager as provided in subsection  
24 (h) of this Section.

25 (j) The Lottery shall remain, for so long as a private  
26 manager manages the Lottery in accordance with provisions of

1 this Act, a Lottery conducted by the State, and the State shall  
2 not be authorized to sell or transfer the Lottery to a third  
3 party.

4 (k) Any tangible personal property used exclusively in  
5 connection with the lottery that is owned by the Department and  
6 leased to the private manager shall be owned by the Department  
7 in the name of the State and shall be considered to be public  
8 property devoted to an essential public and governmental  
9 function.

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

13 (m) Neither this Section nor any management agreement  
14 entered into under this Section prohibits the General Assembly  
15 from authorizing forms of gambling that are not in direct  
16 competition with the Lottery.

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

25 (o) The powers conferred by this Section are in addition  
26 and supplemental to the powers conferred by any other law. If

1 any other law or rule is inconsistent with this Section,  
2 including, but not limited to, provisions of the Illinois  
3 Procurement Code, then this Section controls as to any  
4 management agreement entered into under this Section. This  
5 Section and any rules adopted under this Section contain full  
6 and complete authority for a management agreement between the  
7 Department and a private manager. No law, procedure,  
8 proceeding, publication, notice, consent, approval, order, or  
9 act by the Department or any other officer, Department, agency,  
10 or instrumentality of the State or any political subdivision is  
11 required for the Department to enter into a management  
12 agreement under this Section. This Section contains full and  
13 complete authority for the Department to approve any contracts  
14 entered into by a private manager with a vendor providing  
15 goods, services, or both goods and services to the private  
16 manager under the terms of the management agreement, including  
17 subcontractors of such vendors.

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



1 Department. The Chief Procurement Officer must retain any  
2 portions of the management agreement or of any contract  
3 designated by the Department as confidential, proprietary, or  
4 trade secret information in complete confidence pursuant to  
5 subsection (g) of Section 7 of the Freedom of Information Act.  
6 The Department shall also provide the Chief Procurement Officer  
7 with reasonable advance written notice of any contract that is  
8 pending Department approval.

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

26 Except as provided in Sections 21.2, 21.5, 21.6, 21.7,

1 21.8, ~~and~~ 21.9, and 29.10, the Department shall distribute all  
2 proceeds of lottery tickets and shares sold in the following  
3 priority and manner:

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

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

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

16 (4) On or before the last day of each fiscal year,  
17 deposit any remaining proceeds, subject to payments under  
18 items (1), (2), and (3) into the Capital Projects Fund each  
19 fiscal year.

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

22 (1) the Department shall submit written quarterly  
23 reports to the Governor and the General Assembly on the  
24 activities and actions of the private manager selected  
25 under this Section;

26 (2) upon request of the Chief Procurement Officer, the

1 Department shall promptly produce information related to  
2 the procurement activities of the Department and the  
3 private manager requested by the Chief Procurement  
4 Officer; the Chief Procurement Officer must retain  
5 confidential, proprietary, or trade secret information  
6 designated by the Department in complete confidence  
7 pursuant to subsection (g) of Section 7 of the Freedom of  
8 Information Act; and

9 (3) at least 30 days prior to the beginning of the  
10 Department's fiscal year, the Department shall prepare an  
11 annual written report on the activities of the private  
12 manager selected under this Section and deliver that report  
13 to the Governor and General Assembly.

14 (Source: P.A. 97-464, eff. 8-19-11; 98-463, eff. 8-16-13;  
15 98-649, eff. 6-16-14.)

16 (20 ILCS 1605/20) (from Ch. 120, par. 1170)  
17 Sec. 20. State Lottery Fund.

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

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

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

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

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

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

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

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

16 (Source: P.A. 98-649, eff. 6-16-14.)

17 (20 ILCS 1605/21.10 new)

18 Sec. 21.10. Downstate Police and Firefighter Pension  
19 scratch-off game.

20 (a) The Department shall offer a special instant  
21 scratch-off game for the purpose of helping to fund the police  
22 and firefighter pension funds created under Articles 3 and 4 of  
23 the Illinois Pension Code. The game shall commence on July 1,  
24 2017 or as soon thereafter as, in the discretion of the  
25 Director, is reasonably practical, and shall terminate when the

1 amount collected for distribution reaches \$2,500,000, or as  
2 soon thereafter as is reasonably practical. The operation of  
3 the game shall be governed by this Act and any rules adopted by  
4 the Department. If any provision of this Section is  
5 inconsistent with any other provision of this Act, then this  
6 Section governs.

7 (b) The Downstate Police and Firefighter Pension  
8 Distributive Fund is created as a special fund in the State  
9 treasury. The net revenue from the Downstate Police and  
10 Firefighter Pension scratch-off game created under this  
11 Section shall be deposited into the Fund for appropriation by  
12 the General Assembly to the Department of Insurance for the  
13 purpose of making grants to help fund the police and  
14 firefighter pension funds created under Articles 3 and 4 of the  
15 Illinois Pension Code.

16 Moneys received for the purposes of this Section,  
17 including, without limitation, net revenue from the special  
18 instant scratch-off game and from gifts, grants, and awards  
19 from any public or private entity, must be deposited into the  
20 Fund. Any interest credited or earned on moneys in the Fund  
21 must be deposited into the Fund.

22 (c) Subject to appropriation, the grants shall be made at  
23 least annually in approximately equal dollar amounts to each  
24 such pension fund. Upon receipt by a pension fund, the grant  
25 funds shall be deposited into the fund's account and used only  
26 for providing benefits and paying the necessary expenses of the

1 pension fund.

2 (d) For purposes of this Section, "net revenue" means the  
3 total amount for which tickets have been sold less the sum of  
4 the amount paid out in the prizes and the actual administrative  
5 expenses of the Department solely related to the scratch-off  
6 game under this Section.

7 (e) During the time that tickets are sold for the  
8 scratch-off game created under this Section, the Department  
9 shall not unreasonably diminish the efforts devoted to  
10 marketing any other instant scratch-off lottery game.

11 (f) The Department of the Lottery may adopt any rules  
12 necessary to implement and administer the game created under  
13 this Section.

14 The Department of Insurance may adopt any rules necessary  
15 to implement and administer the grant provisions of this  
16 Section.

17 Section 10. The State Finance Act is amended by adding  
18 Section 5.875 as follows:

19 (30 ILCS 105/5.875 new)

20 Sec. 5.875. The Downstate Police and Firefighter Pension  
21 Distributive Fund.

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