

AN ACT in relation to charitable games.

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

Section 1. Findings; purpose; validation.

(a) The General Assembly finds and declares that:

(1) Public Act 88-669, effective November 29, 1994, contained provisions amending the Charitable Games Act. Public Act 88-669 also contained other provisions.

(2) The Illinois Supreme Court declared Public Act 88-669 to be unconstitutional as a violation of the single subject clause of the Illinois Constitution in *People v. Olender*, Docket No. 98932, opinion filed December 15, 2005.

(b) The purpose of this Act is to re-enact the provisions of the Charitable Games Act affected by Public Act 88-669 and to minimize or prevent any problems concerning those provisions that may arise from the unconstitutionality of Public Act 88-669. This re-enactment is intended to remove any question as to the validity and content of those provisions; it is not intended to supersede any other Public Act that amends the provisions re-enacted in this Act. The re-enacted material is shown in this Act as existing text (i.e., without underscoring) and may include changes made by subsequent amendments.

(c) This re-enactment of provisions of the Charitable Games Act by this Act is not intended, and shall not be construed, to impair any legal argument concerning whether those provisions were substantially re-enacted by any other Public Act.

(d) All otherwise lawful actions taken before the effective date of this Act in reliance on or pursuant to the provisions re-enacted by this Act, as those provisions were set forth in Public Act 88-669 or as subsequently amended, by any officer, employee, or agency of State government or by any other person or entity, are hereby validated, except to the extent prohibited under the Illinois or United States Constitution.

(e) This Act applies, without limitation, to actions pending on or after the effective date of this Act, except to the extent prohibited under the Illinois or United States Constitution.

Section 5. The Charitable Games Act is amended by re-enacting Sections 2, 4, 5, 5.1, 6, 7, 8, 10, 11, and 12 as follows:

(230 ILCS 30/2) (from Ch. 120, par. 1122)

Sec. 2. Definitions. For purposes of this Act, the following definitions apply:

"Organization": A corporation, agency, partnership, institution, association, firm or other entity consisting of 2 or more persons joined by a common interest or purpose.

"Sponsoring organization": A qualified organization that has obtained a license to conduct a charitable games event in conformance with the provisions of this Act.

"Qualified organization":

(a) a charitable, religious, fraternal, veterans, labor or educational organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation and which is exempt from federal income taxation under Sections 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(8), 501(c)(10) or 501(c)(19) of the Internal Revenue Code;

(b) a veterans organization as defined in Section 1 of the "Bingo License and Tax Act", approved July 22, 1971, as amended, organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation; or

(c) An auxiliary organization of a veterans organization.

"Fraternal organization": A civic, service or charitable organization in this State except a college or high school fraternity or sorority, not for pecuniary profit, which is a

branch, lodge or chapter of a national or State organization and exists for the common business, brotherhood, or other interest of its members.

"Veterans organization": An organization comprised of members of which substantially all are individuals who are veterans or spouses, widows, or widowers of veterans, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit.

"Labor organization": An organization composed of labor unions or workers organized with the objective of betterment of the conditions of those engaged in such pursuit and the development of a higher degree of efficiency in their respective occupations.

"Department": The Department of Revenue.

"Volunteer": A person recruited by the sponsoring organization who voluntarily performs services at a charitable games event, including participation in the management or operation of a game, as defined in Section 8.

"Person": Any natural individual, a corporation, a partnership, a limited liability company, an organization as defined in this Section, a qualified organization, a sponsoring organization, any other licensee under this Act, or a volunteer.

(Source: P.A. 87-758; 88-669, eff. 11-29-94.)

(230 ILCS 30/4) (from Ch. 120, par. 1124)

Sec. 4. Licensing Restrictions. Licensing for the conducting of charitable games is subject to the following restrictions:

(1) The license application, when submitted to the Department of Revenue, must contain a sworn statement attesting to the not-for-profit character of the prospective licensee organization, signed by the presiding officer and the secretary of that organization. The application shall contain the name of the person in charge

of and primarily responsible for the conduct of the charitable games. The person so designated shall be present on the premises continuously during charitable games. Any wilful misstatements contained in such application constitute perjury.

(2) The application for license shall be prepared by the prospective licensee organization or its duly authorized representative in accordance with the rules of the Department of Revenue.

(2.1) The application for a license shall contain a list of the names, addresses, social security numbers, and dates of birth of all persons who will participate in the management or operation of the games, along with a sworn statement made under penalties of perjury, signed by the presiding officer and secretary of the applicant, that the persons listed as participating in the management or operation of the games are bona fide members, volunteers as defined in Section 2, or employees of the applicant, that these persons have not participated in the management or operation of more than 4 charitable games events conducted by any licensee in the calendar year, and that these persons will receive no remuneration or compensation, directly or indirectly from any source, for participating in the management or operation of the games. Any amendments to this listing must contain an identical sworn statement.

(2.2) The application shall be signed by the presiding officer and the secretary of the applicant organization, who shall attest under penalties of perjury that the information contained in the application is true, correct, and complete.

(3) Each license shall state which day of the week, hours and at what locations the licensee is permitted to conduct charitable games.

(4) Each licensee shall file a copy of the license with each police department or, if in unincorporated areas, each sheriff's office whose jurisdiction includes the premises

on which the charitable games are authorized under the license.

(5) The licensee shall display the license in a prominent place in the area where it is to conduct charitable games.

(6) The proceeds from the license fee imposed by this Act shall be paid into the Illinois Gaming Law Enforcement Fund of the State Treasury.

(7) Each licensee shall obtain and maintain a bond for the benefit of participants in games conducted by the licensee to insure payment to the winners of such games. Such bond shall be in an amount established by rule by the Department of Revenue. In a county with fewer than 60,000 inhabitants, the Department may waive the bond requirement upon a showing by a licensee that it has sufficient funds on deposit to insure payment to the winners of such games.

(8) A license is not assignable or transferable.

(9) Unless the premises for conducting charitable games are provided by a municipality, the Department shall not issue a license permitting a person, firm or corporation to sponsor a charitable games night if the premises for the conduct of the charitable games has been previously used for 8 charitable games nights during the previous 12 months.

(10) Auxiliary organizations of a licensee shall not be eligible for a license to conduct charitable games, except for auxiliary organizations of veterans organizations as authorized in Section 2.

(11) Charitable games must be conducted in accordance with local building and fire code requirements.

(12) The licensee shall consent to allowing the Department's employees to be present on the premises wherein the charitable games are conducted and to inspect or test equipment, devices and supplies used in the conduct of the game.

Nothing in this Section shall be construed to prohibit a

licensee that conducts charitable games on its own premises from also obtaining a providers' license in accordance with Section 5.1. The maximum number of charitable games events that may be held in any one premises is limited to 8 charitable games events per calendar year.

(Source: P.A. 87-758; 88-563, eff. 1-1-95; 88-669, eff. 11-29-94.)

(230 ILCS 30/5) (from Ch. 120, par. 1125)

Sec. 5. Providers' License. The Department shall issue a providers' license permitting a person, firm or corporation to provide premises for the conduct of charitable games. No person, firm or corporation may rent or otherwise provide premises without having first obtained a license therefor upon written application made, verified and filed with the Department in the form prescribed by the rules and regulations of the Department. Each providers' license is valid for one year from the date of issuance, unless suspended or revoked by Department action before that date. The annual fee for such providers' license is \$50. A provider may receive reasonable compensation for the provision of the premises. The compensation shall not be based upon a percentage of the gross proceeds from the charitable games. A provider, other than a municipality, may not provide the same premises for conducting more than 8 charitable games nights per year. A provider shall not have any interest in any suppliers' business, either direct or indirect. A municipality may provide the same premises for conducting 16 charitable games nights during a 12-month period. No employee, officer, or owner of a provider may participate in the management or operation of a charitable games event, even if the employee, officer, or owner is also a member, volunteer, or employee of the charitable games licensee. A provider may not promote or solicit a charitable games event on behalf of a charitable games licensee or qualified organization. Any qualified organization licensed to conduct a charitable game need not obtain a providers' license if such games are to be

conducted on the organization's premises.

(Source: P.A. 85-1412; 88-563, eff. 1-1-95; 88-669, eff. 11-29-94.)

(230 ILCS 30/5.1) (from Ch. 120, par. 1125.1)

Sec. 5.1. If a licensee conducts charitable games on its own premises, the licensee may also obtain a providers' license in accordance with Section 5 to allow the licensee to rent or otherwise provide its premises to another licensee for the conducting of an additional 4 charitable games events. The maximum number of charitable games events that may be held at any one premises is limited to 8 charitable games events per calendar year.

(Source: P.A. 87-758; 88-669, eff. 11-29-94.)

(230 ILCS 30/6) (from Ch. 120, par. 1126)

Sec. 6. Supplier's license. The Department shall issue a supplier's license permitting a person, firm or corporation to sell, lease, lend or distribute to any organization licensed to conduct charitable games, supplies, devices and other equipment designed for use in the playing of charitable games. No person, firm or corporation shall sell, lease or distribute charitable games supplies or equipment without having first obtained a license therefor upon written application made, verified and filed with the Department in the form prescribed by the rules and regulations of the Department. Each supplier's license is valid for a period of one year from the date of issuance, unless suspended or revoked by Department action before that date. The annual fee for such license is \$500. The Department may require by rule for the provision of surety bonds by suppliers. A supplier shall furnish the Department with a list of all products and equipment offered for sale or lease to any organization licensed to conduct charitable games, and all such products and equipment shall be sold or leased at the prices on file with the Department. A supplier shall keep all such products and equipment segregated and separate from

any other products, materials or equipment that it might own, sell or lease. A supplier must include in its application for a license the exact location of the storage of the products, materials or equipment. A supplier, as a condition of licensure, must consent to permitting the Department's employees to enter supplier's premises to inspect and test all equipment and devices. A supplier shall keep books and records for the furnishing of products and equipment to charitable games separate and distinct from any other business the supplier might operate. All products and equipment supplied must be in accord with the Department's rules and regulations. A supplier shall not alter or modify any equipment or supplies, or possess any equipment or supplies so altered or modified, so as to allow the possessor or operator of the equipment to obtain a greater chance of winning a game other than as under normal rules of play of such games. The supplier shall not require an organization to pay a percentage of the proceeds from the charitable games for the use of the products or equipment. The supplier shall file a quarterly return with the Department listing all sales or leases for such quarter and the gross proceeds from such sales or leases. A supplier shall permanently affix his name to all charitable games equipment, supplies and pull tabs. A supplier shall not have any interest in any providers' business, either direct or indirect. If the supplier leases his equipment for use at an unlicensed charitable games or to an unlicensed sponsoring group, all equipment so leased is forfeited to the State.

No person, firm or corporation shall sell, lease or distribute for compensation within this State, or possess with intent to sell, lease or distribute for compensation within this State, any chips, representations of money, wheels or any devices or equipment designed for use or used in the play of charitable games without first having obtained a license to do so from the Department of Revenue. Any person, firm or corporation which knowingly violates this paragraph shall be guilty of a Class A misdemeanor, the fine for which shall not

exceed \$50,000.

Organizations licensed to conduct charitable games may own their own equipment. Such organizations must apply to the Department for an ownership permit. Any such application must be accompanied by a \$50 fee. Such organizations shall file an annual report listing their inventory of charitable games equipment. Such organizations may lend such equipment without compensation to other licensed organizations without applying for a suppliers license.

No employee, owner, or officer of a supplier may participate in the management or operation of a charitable games event, even if the employee, owner, or officer is also a member, volunteer, or employee of the charitable games licensee. A supplier may not promote or solicit a charitable games event on behalf of a charitable games licensee or qualified organization.

(Source: P.A. 88-669, eff. 11-29-94.)

(230 ILCS 30/7) (from Ch. 120, par. 1127)

Sec. 7. Ineligible Persons. The following are ineligible for any license under this Act:

(a) any person who has been convicted of a felony within 10 years of the date of the application;

(b) any person who has been convicted of a violation of Article 28 of the Criminal Code of 1961;

(c) any person who has had a bingo, pull tabs, or charitable games license revoked by the Department;

(d) any person who is or has been a professional gambler;

(d-1) any person found gambling in a manner not authorized by this Act, participating in such gambling, or knowingly permitting such gambling on premises where an authorized charitable games event is being or has been conducted;

(e) any business or organization in which a person defined in (a), (b), (c), (d), or (d-1) has a proprietary, equitable, or credit interest, or in which the person is active or employed;

(f) any business or organization in which a person defined in (a), (b), (c), (d), or (d-1) is an officer, director, or employee, whether compensated or not;

(g) any organization in which a person defined in (a), (b), (c), (d), or (d-1) is to participate in the management or operation of charitable games.

The Department of State Police shall provide the criminal background of any person requested by the Department of Revenue.

(Source: P.A. 88-669, eff. 11-29-94.)

(230 ILCS 30/8) (from Ch. 120, par. 1128)

Sec. 8. The conducting of charitable games is subject to the following restrictions:

(1) The entire net proceeds from charitable games must be exclusively devoted to the lawful purposes of the organization permitted to conduct that game.

(2) No person except a bona fide member or employee of the sponsoring organization, or a volunteer recruited by the sponsoring organization, may participate in the management or operation of the game. A person participates in the management or operation of a charitable game when he or she sells admission tickets at the event; sells, redeems, or in any way assists in the selling or redeeming of chips, scrip, or play money; participates in the conducting of any of the games played during the event, or supervises, directs or instructs anyone conducting a game; or at any time during the hours of the charitable games event counts, handles, or supervises anyone counting or handling any of the proceeds or chips, scrip, or play money at the event. A person who is present to ensure that the games are being conducted in conformance with the rules established by the licensed organization or is present to insure that the equipment is working properly is considered to be participating in the management or operation of a game. Setting up, cleaning up, selling food and drink, or

providing security for persons or property at the event does not constitute participation in the management or operation of the game.

Only bona fide members, volunteers as defined in Section 2 of this Act, and employees of the sponsoring organization may participate in the management or operation of the games. A person who participates in the management or operation of the games and who is not a bona fide member, volunteer as defined in Section 2 of this Act, or employee of the sponsoring organization, or who receives remuneration or other compensation either directly or indirectly from any source for participating in the management or operation of the games, or who has participated in the management or operation of more than 4 charitable games events in the calendar year, commits a violation of this Act. In addition, a licensed organization that utilizes any person described in the preceding sentence commits a violation of this Act.

(3) No person may receive any remuneration or compensation either directly or indirectly from any source for participating in the management or operation of the game.

(4) No single bet at any game may exceed \$10.

(5) A bank shall be established on the premises to convert currency into chips, scrip, or other form of play money which shall then be used to play at games of chance which the participant chooses. Chips, scrip, or play money must be monogrammed with the logo of the licensed organization or of the supplier. Each participant must be issued a receipt indicating the amount of chips, scrip, or play money purchased.

(6) At the conclusion of the event or when the participant leaves, he may cash in his chips, scrip, or play money in exchange for currency not to exceed \$250 or noncash prizes. Each participant shall sign for any receipt of prizes. The licensee shall provide the Department of

Revenue with a listing of all prizes awarded.

(7) Each licensee shall be permitted to conduct charitable games on not more than 4 days each year.

(8) Unless the provider of the premises is a municipality, the provider of the premises may not rent or otherwise provide the premises for the conducting of more than 8 charitable games nights per year.

(9) Charitable games may not be played between the hours of 2:00 a.m. and noon.

(10) No person under the age of 18 years may play or participate in the conducting of charitable games. Any person under the age of 18 years may be within the area where charitable games are being played only when accompanied by his parent or guardian.

(11) No one other than the sponsoring organization of charitable games must have a proprietary interest in the game promoted.

(12) Raffles or other forms of gambling prohibited by law shall not be conducted on the premises where charitable games are being conducted.

(13) Such games are not expressly prohibited by county ordinance for charitable games conducted in the unincorporated areas of the county or municipal ordinance for charitable games conducted in the municipality and the ordinance is filed with the Department of Revenue. The Department shall provide each county or municipality with a list of organizations licensed or subsequently authorized by the Department to conduct charitable games in their jurisdiction.

(14) The sale of tangible personal property at charitable games is subject to all State and local taxes and obligations.

(15) Each licensee may offer or conduct only the games listed below, which must be conducted in accordance with rules posted by the organization. The organization sponsoring charitable games shall promulgate rules, and

make printed copies available to participants, for the following games: (a) roulette; (b) blackjack; (c) poker; (d) pull tabs; (e) craps; (f) bang; (g) beat the dealer; (h) big six; (i) gin rummy; (j) five card stud poker; (k) chuck-a-luck; (l) keno; (m) hold-em poker; and (n) merchandise wheel. A licensee need not offer or conduct every game permitted by law. The conducting of games not listed above is prohibited by this Act.

(16) No slot machines or coin-in-the-slot-operated devices that allow a participant to play games of chance based upon cards or dice shall be permitted to be used at the location and during the time at which the charitable games are being conducted.

(17) No cards, dice, wheels, or other equipment may be modified or altered so as to give the licensee a greater advantage in winning, other than as provided under the normal rules of play of a particular game.

(18) No credit shall be extended to any of the participants.

(19) No person may participate in the management or operation of games at more than 4 charitable games events in any calendar year.

(20) A supplier may have only one representative present at the charitable games event, for the exclusive purpose of ensuring that its equipment is not damaged.

(21) No employee, owner, or officer of a consultant service hired by a licensed organization to perform services at the event including, but not limited to, security for persons or property at the event or services before the event including, but not limited to, training for volunteers or advertising may participate in the management or operation of the games.

(22) Volunteers as defined in Section 2 of this Act and bona fide members and employees of a sponsoring organization may not receive remuneration or compensation, either directly or indirectly from any source, for

participating in the management or operation of games. They may participate in the management or operation of no more than 4 charitable games events, either of the sponsoring organization or any other licensed organization, during a calendar year.

Nothing in this Section shall be construed to prohibit a licensee that conducts charitable games on its own premises from also obtaining a providers' license in accordance with Section 5.1.

(Source: P.A. 87-758; 87-1271; 88-480; 88-563, eff. 1-1-95; 88-669, eff. 11-29-94; 88-670, eff. 12-2-94.)

(230 ILCS 30/10) (from Ch. 120, par. 1130)

Sec. 10. Each licensee must keep a complete record of charitable games conducted within the previous 3 years. Such record shall be open to inspection by any employee of the Department of Revenue during reasonable business hours. Any employee of the Department may visit the premises and inspect such record during, and for a reasonable time before and after, charitable games. Gross proceeds of charitable games shall be segregated from other revenues of the licensee, including bingo receipts, and shall be placed in a separate account.

The Department may require that any person, organization or corporation licensed under this Act obtain from an Illinois certified public accounting firm at its own expense a certified and unqualified financial statement and verification of records of such organization. Failure of a charitable games licensee to comply with this requirement within 90 days of receiving notice from the Department may result in suspension or revocation of the licensee's license and forfeiture of all proceeds.

The Department of Revenue shall revoke any license when it finds that the licensee or any person connected therewith has violated or is violating the provisions of this Act or any rule promulgated under this Act. However, in his or her discretion, the Director may review the offenses subjecting the licensee to

revocation and may issue a suspension. The decision to reduce a revocation to a suspension, and the duration of the suspension, shall be made by taking into account factors that include, but are not limited to, the licensee's previous history of compliance with the Act and its rules, the number, seriousness, and duration of the violations, and the licensee's cooperation in discontinuing and correcting the violations. Violations of Sections 4, 5, 6, 7, and subsection (2) of Section 8 of this Act are considered to be more serious in nature than other violations under this Act. A revocation or suspension shall be in addition to, and not in lieu of, any other civil penalties or assessments that are authorized by this Act. No licensee under this Act, while a charitable game is being conducted, shall knowingly permit the entry into any part of the licensed premises by any person who has been convicted of a violation of Article 28 of the Criminal Code of 1961.

(Source: P.A. 88-669, eff. 11-29-94.)

(230 ILCS 30/11) (from Ch. 120, par. 1131)

Sec. 11. Any organization which conducts charitable games without first obtaining a license to do so, or which continues to conduct such games after revocation of its charitable games license, or any organization licensed to conduct charitable games which allows any form of illegal gambling to be conducted on the premises where charitable games are being conducted shall, in addition to other penalties provided, be subject to a civil penalty equal to the amount of gross proceeds derived on that day from charitable games and any other illegal game that may have been conducted as well as confiscation and forfeiture of the gross proceeds derived from such games and any other illegal games and confiscation and forfeiture of all charitable games equipment used in the conduct of unlicensed games.

Any person who violates any provision of this Act or knowingly violates any rule of the Department for the administration of this Act, shall, in addition to other penalties provided, be subject to a civil penalty in the amount

of \$250 for each separate violation. Persons subject to this provision include, but are not limited to, sponsoring organizations, volunteers, any licensee under this Act, or any other person or organization.

(Source: P.A. 88-669, eff. 11-29-94.)

(230 ILCS 30/12) (from Ch. 120, par. 1132)

Sec. 12. Any person who conducts or knowingly participates in an unlicensed charitable game commits the offense of gambling in violation of Section 28-1 of the Criminal Code of 1961, as amended. Any person who violates any provision of this Act, or any person who fails to file a charitable games return or who files a fraudulent return or application under this Act, or any person who knowingly violates any rule or regulation of the Department for the administration and enforcement of this Act, or any officer or agent of an organization or a corporation licensed under this Act who signs a fraudulent return or application filed on behalf of such an organization or corporation, is guilty of a Class A misdemeanor. Any second or subsequent violation of this Act constitutes a Class 4 felony.

(Source: P.A. 88-669, eff. 11-29-94.)

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