

**STATE OF ILLINOIS**



# **HOUSE JOURNAL**

**HOUSE OF REPRESENTATIVES**

**NINETY-FIFTH GENERAL ASSEMBLY**

**2ND LEGISLATIVE DAY**

**FIRST SPECIAL SESSION**

**FRIDAY, JULY 6, 2007**

**10:10 O'CLOCK A.M.**

NO. 2

**HOUSE OF REPRESENTATIVES  
Daily Journal Index  
2nd Legislative Day**

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The House met pursuant to adjournment.  
 Speaker of the House Madigan in the chair.  
 Prayer by Doorkeeper of the House Lee A. Crawford, who is the Pastor of the Cathedral of Praise Christian Center in Springfield, IL.  
 Representative Mathias led the House in the Pledge of Allegiance.  
 By direction of the Speaker, a roll call was taken to ascertain the attendance of Members, as follows:  
 100 present. (ROLL CALL 1)

By unanimous consent, Representatives Arroyo, Bassi, Burke, Collins, Colvin, Coulson, Durkin, Flider, Fritchey, Gordon, Graham, Harris, Jakobsson, Jefferson, Lindner, Molaro and Patterson were excused from attendance.

### **REQUEST TO BE SHOWN ON QUORUM**

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Leitch, should be recorded as present at the hour of 11:15 o'clock a.m.

### **TEMPORARY COMMITTEE ASSIGNMENTS**

Representative Beaubien replaced Representative Hassert in the Committee on Rules on July 6, 2007.

### **REPORT FROM THE COMMITTEE ON RULES**

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on July 6, 2007, reported the same back with the following recommendations:

#### **LEGISLATIVE MEASURES APPROVED FOR FLOOR CONSIDERATION:**

That the Floor Amendment be reported "recommends be adopted":  
 Amendment No. 2 to HOUSE BILL 2055.

The committee roll call vote on the foregoing Legislative Measures is as follows:  
 5, Yeas; 0, Nays; 0, Answering Present.

Y Currie(D), Chairperson  
 Y Hannig(D)  
 Y Turner(D)

Y Black(R), Republican Spokesperson  
 Y Beaubien(R) (replacing Hassert)

### **MESSAGES FROM THE SENATE**

A message from the Senate by  
 Ms. Shipley, Secretary:  
 Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has adopted the following Senate Joint Resolution, in the adoption of which I am instructed to ask the concurrence of the House of Representatives, to-wit:

#### **SENATE JOINT RESOLUTION NO. 1**

WHEREAS, Article XIII, Section 5 of the Illinois Constitution of 1970 requires the State to provide pension benefits to members of State-sponsored retirement systems; and

WHEREAS, The State of Illinois supports five retirement plans on behalf of State employees, university employees, teachers, judges, and members of the Illinois General Assembly; and

WHEREAS, It is the State's responsibility to provide adequate funding to support State pension liabilities so that future generations are not held responsible for current expenses; and

WHEREAS, Deferrals of the State's obligations to its annuitants contributed to an unfunded pension liability in State-sponsored systems of \$19 billion in 1995, which grew to \$43 billion in 2003, resulting in a funded ratio of 48% in 2003, the worst funded ratio of any of the fifty States and significantly under-funded in comparison to the national average of 91.1% among 101 public retirement systems, according to the 2003 Public Fund Survey conducted by the National Association of State Retirement Administrators; and

WHEREAS, Because of this crisis, unless changes are made, commitments to State employees will become a significant burden on future generations; and

WHEREAS, Annuitants of the State's benefit systems rely on the security provided by pension benefits to meet their daily necessities, including food, housing, and healthcare; and fairness requires that Illinois keep its obligations and commitments to those who have earned it and will work for it in the future; and

WHEREAS, Over the next three years, in order to meet the statutory funding formula, the State will be required to increase annual contributions to the pension systems and debt service on outstanding pension obligation bonds, reducing available State resources to fund growth in other core services provided by the State, such as education and health care, to less than \$200 million of natural revenue growth per year, representing less than one percent growth per year in these critical areas; and

WHEREAS, Further deferrals of the State's pension liabilities will force future generations to pay billions of dollars in additional interest on the unfunded liabilities of the State between fiscal years 2008 and 2045; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that the State's pension funding system is in a state of crisis, and that the State will continue to unnecessarily pay billions in interest costs alone if the unfunded pension liability does not receive an immediate and significant infusion of funding, the General Assembly is in agreement that a solution to this crisis must be adopted prior to adjournment of 2007 Spring Session of the Ninety-Fifth General Assembly; this action is necessary to adequately secure existing pension obligations, reduce long-term interest costs on current obligations, more effectively manage State funding requirements, and ensure that future new revenues will not be consumed solely by escalating pension contributions.

Adopted by the Senate, July 6, 2007.

Deborah Shipley, Secretary of the Senate

At the hour of 10:17 o'clock a.m., the Speaker of the House Madigan reconvenes the Committee of the Whole.

At the hour of 11:50 o'clock a.m., the Speaker of the House Madigan moves that the Committee of the Whole rise.

#### **RECESS**

At the hour of 11:52 o'clock a.m., Speaker of the House Madigan moved that the House do now take a recess until the call of the Chair.

The motion prevailed.

At the hour of 3:05 o'clock p.m., the House resumed its session.

Speaker of the House Madigan in the Chair.

#### **HOUSE BILL ON SECOND READING**

HOUSE BILL 2055. Having been read by title a second time on July 5, 2007, and held on the order of Second Reading, the same was again taken up.

Representative Madigan offered the following amendment and moved its adoption.

AMENDMENT NO. 1. Amend House Bill 2055 by replacing everything after the enacting clause

with the following:

"Section 5. The Illinois Lottery Law is amended by changing Sections 2, 3, 4, 5, 6, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.8, 7.8a, 7.11, 8, 8.1, 9, 10, 10.1, 10.1a, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 11, 12, 13, 14, 14.2, 14.3, 15, 16, 17, 19, 20, 21, 21.2, 21.3, 21.5, 24, 25, 26, 27, and 28 and by adding Sections 2.1, 6.1, and 21.7 as follows:

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

Sec. 2. This Act is enacted to implement and establish within the State a lottery to be ~~conducted~~ operated by the State, ~~whether that lottery is operated and managed by the State or by a third party pursuant to a Management and Concession Agreement. The operations of a lottery are unique activities for State government, and private management will best enable the lottery to be operated in an entrepreneurial and business-like manner, thereby maximizing value for and benefit to the citizens of the State. Any such private manager shall be accountable to the State through a comprehensive system of State regulation and enduring operational oversight. The State's ongoing conduct of the Lottery throughout the term of a Concession shall act to promote and ensure the integrity, security, honesty, and fairness of the Lottery's operation and administration. the entire net proceeds of which are to be used for the support of the State's Common School Fund, except as provided in Sections 21.2 and 21.5 and 21.6.~~

(Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05; revised 8-23-05.)

(20 ILCS 1605/2.1 new)

Sec. 2.1. Third-party management authorized. Notwithstanding any provision of this Act or other applicable law to the contrary, the State may, pursuant to a competitive bidding process, enter into a Management and Concession Agreement with a third party pursuant to which that party may be authorized to manage or operate the Lottery, and further pursuant to which that party may retain certain Lottery revenues in consideration of the payment of a fee or fees to the State for that right, provided that the Concession is managed and operated in accordance with the provisions of this Act and that the State at all times retains control of the Lottery and exercises supervisory authority over the Concession sufficient to implement the terms of the Management and Concession Agreement and to effect the purposes of this Act. The Lottery shall remain, for so long as a Concessionaire manages and operates the Concession in accordance with provisions of this Act, a Lottery conducted by the State.

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

(a) The length of term of the Concession shall not exceed 75 years.

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

(c) At least 19% of the value of all contracts and agreements entered into by the Concessionaire for goods and services in connection with its management and operation of the Lottery, other than contracts or agreements with sales agents or technical operators, must be awarded to businesses that are a "minority owned business" or a "female owned business" as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. For purposes of this item (c), all contracts entered into by a technical operator shall be deemed to be contracts entered by the Concessionaire. A contract by which the Concessionaire retains a technical operator shall be exempt from the requirements of this item (c). For purposes of this item (c), a technical operator means an entity that, pursuant to the terms of this amendatory Act of the 95th General Assembly and the Concession Agreement, is substantially involved in the day-to-day operations of the Lottery in a manner that includes (i) the design and production of lottery games or lottery game equipment, (ii) the provision and maintenance of lottery equipment, (iii) the operation and monitoring of lottery games or other regulated gaming activities, (iv) the development and maintenance of a distribution network, or (v) the verification of game outcomes, or an entity responsible for other significant regulated gaming activities.

All of the acts of officials authorized by the State that are in conformity with the intent and purposes of this amendatory Act of the 95th General Assembly, whether heretofore or hereafter taken or done, shall be and are ratified, confirmed, authorized, and approved hereby in all respects. To the extent any provision of the Illinois Procurement Code (30 ILCS 500/) is in conflict with this amendatory Act of the 95th General Assembly insofar as it relates to any Transaction Documents, the provisions of this amendatory Act shall be controlling.

This amendatory Act of the 95th General Assembly shall be construed liberally to effect the purposes of the Illinois Lottery Law as amended by this amendatory Act and to provide for the implementation and oversight of any Management and Concession Agreement that the State may enter into pursuant to the terms of this amendatory Act.

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

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

- a. "Lottery" or "State Lottery" means the lottery or lotteries established and operated pursuant to this Act.
- b. "Board" means the Lottery Control Board created by this Act.
- c. "Department" means the Department of Revenue.
- d. "Director" means the Director of Revenue.
- e. "Chairman" means the Chairman of the Lottery Control Board.
- f. "Multi-state game directors" means such persons, including the Superintendent, as may be designated by an agreement between the Division and one or more additional lotteries operated under the laws of another state or states.
- g. "Division" means the Division of the State Lottery of the Department of Revenue.
- h. "Superintendent" means the Superintendent of the Division of the State Lottery of the Department of Revenue.

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

j. "Management and Concession Agreement" means that agreement and all schedules, exhibits, and attachments thereto, entered into pursuant to a competitive bidding process and pursuant to which the State may grant a license or other contractual right to manage or operate the Lottery to a Concessionaire, and further pursuant to which a Concessionaire may receive certain Lottery ticket or share sales and related proceeds in consideration of the payment of a fee or fees to the State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Initial members shall be appointed to the Board by the Governor as follows: one member to serve until July 1, 1974, and until his successor is appointed and qualified; 2 members to serve until July 1, 1975, and until their successors are appointed and qualified; 2 members to serve until July 1, 1976, and until their successors are appointed and qualified. As terms of members so appointed expire, their successors shall be appointed for terms to expire the first day in July 3 years thereafter, and until their successors are appointed and qualified.

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

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

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

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

Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings.

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

(20 ILCS 1605/6.1 new)

Sec. 6.1. Lottery Control Board's Authorization to Implement the Act and Oversee Concession. The term of each appointed member of the Board who is in office on May 31, 2007 shall terminate at the close of business on that date or when all of the new members to be initially appointed under this amendatory Act of the 95th General Assembly have been appointed by the Governor, whichever occurs later.

Beginning on June 1, 2007 or when all of the new members of the Board to be initially appointed under this amendatory Act of the 95th General Assembly have been appointed by the Governor, whichever occurs later, the Board shall consist of 7 members, all of whom shall be citizens of the United States and residents of this State and shall be appointed by the Governor with the advice and consent of the Senate. No more than 4 of the 7 members shall be members of the same political party. A chairman of the Board shall be chosen annually from the membership of the Board by a majority of the members of the Board at the first meeting of the Board each fiscal year.

Members shall be appointed to the Board by the Governor as follows: 2 members to serve until July 1, 2009, and until their successors are appointed and qualified; 2 members to serve until July 1, 2010, and until their successors are appointed and qualified; 3 members to serve until July 1, 2011, and until their successors are appointed and qualified. As terms of members so appointed expire, their successors shall be appointed for terms to expire the first day in July 3 years thereafter, and until their successors are appointed and qualified. Members of the Board serving prior to the effective date of this amendatory Act of the 95th General Assembly shall be discharged of their duties and replaced by members appointed pursuant to this Section in the sequence in which those prior serving members were appointed.

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

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

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

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

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

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

- (1) to conduct all hearings pertaining to rules and regulations promulgated under this Act;
- (2) to promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of the Lottery and enforce the provisions of the Management and Concession Agreement authorized by this Act and the regulatory process under this Act;
- (3) to be present through its inspectors and agents any time Lottery operations are conducted pursuant to this Act or the Management and Concession Agreement for the purpose of determining compliance therewith, receiving complaints from the public, and conducting such other investigations into the conduct of Lottery games and operations and the maintenance of all Lottery equipment as from time to time the Board may deem necessary and proper;
- (4) to implement and administer the Concession and Management Agreement, including, without limitation, the supervision and administration of the operation of the Lottery in accordance with this Act, the rules and regulations of the Board adopted hereunder, and the terms of the Management and Concession Agreement;
- (5) to investigate parties providing Concession and Lottery-related services;
- (6) to have jurisdiction and supervision over all Lottery and Concession operations;
- (7) to promulgate rules and regulations for the purpose of administering the provisions of this Act and the Management and Concession Agreement and to prescribe rules, regulations, and conditions under which the Lottery shall be conducted; those rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of citizens of the State, including rules and regulations regarding inspection;
- (8) to enter the office, facilities, or other places of business of a Concessionaire, where evidence of the compliance or noncompliance with the provisions of this Act or the Management and Concession Agreement is likely to be found;
- (9) to investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a Concessionaire and its contractors and licensees for a violation, or institute appropriate legal action for enforcement, or both;
- (10) to ensure that any Concessionaire maintains appropriate standards for Lottery ticket vendors;
- (11) to require that records, including financial or other statements of any Concessionaire, manager, or operator under this Act, shall be kept in such manner as prescribed by the Board and that any such Concessionaire, manager, or operator regularly submit to the Board a balance sheet and profit and loss statement, list of the stockholders or other persons having a beneficial interest in such amounts as may be determined by the Board, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders, and final decisions promulgated under this Act;
- (12) to conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules;
- (13) to hire employees to gather information, conduct investigations, and carry out any other tasks contemplated under this Act;
- (14) to delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and its rules and regulations; and
- (15) to take any other action as may be reasonable or appropriate to enforce this Act and its rules and regulations.

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

In the event that the State shall enter into a Management and Concession Agreement, the Board may instruct the Superintendent, on behalf of the Concessionaire, to enter into an agreement or agreements with the management of state lotteries operated pursuant to the laws of other states for the purpose of creating and operating a multi-state lottery game wherein a separate and distinct prize pool would be combined to award larger prizes to the public than could be offered by the several state lotteries individually. In the



event that the State shall enter into a Management and Concession Agreement, no tickets or shares offered in connection with a multi-state lottery game shall be sold within the State, except those offered by the Concessionaire pursuant to the terms of the Management and Concession Agreement and this amendatory Act of the 95th General Assembly. No such agreement shall purport to pledge the full faith and credit of the State of Illinois. No multi-state game prize awarded to a nonresident of Illinois, with respect to a ticket or share purchased in a state other than the State of Illinois, shall be deemed to be a prize awarded under this Act for the purpose of taxation under the Illinois Income Tax Act.

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

Sec. 7.1. Rules and regulations. The Department ~~may~~ ~~shall~~ promulgate such rules and regulations governing the establishment and operation of a State lottery as it deems necessary to carry out the purposes of this Act. Such rules and regulations shall be subject to the provisions of The Illinois Administrative Procedure Act. If the State enters into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery, the Board shall assume the Department's authorities and discharge the Department's duties under this Section and Section 7.2 of this Act. The Division ~~may~~ ~~shall~~ issue written game rules, play instructions, directives, operations manuals, brochures, or any other publications necessary to conduct specific games, as authorized by rule by the Department. Any written game rules, play instructions, directives, operations manuals, brochures, or other game publications issued by the Division that relate to a specific lottery game shall be maintained as a public record in the Division's principal office, and made available for public inspection and copying but shall be exempt from the rulemaking procedures of the Illinois Administrative Procedure Act. However, when such written materials contain any policy of general applicability, the Division shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act. In addition, the Division shall publish each January in the Illinois Register a list of all game-specific rules, play instructions, directives, operations manuals, brochures, or other game-specific publications issued by the Division during the previous year if any, and instructions concerning how the public may obtain copies of these materials from the Division. In the event that State enters into a Management and Concession Agreement, this Section 7.1 shall not apply and the Concessionaire shall be permitted to offer game specific material in accordance with the provisions of this Act, the rules and regulations of the Board adopted hereunder, and the terms of the Management and Concession Agreement.

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

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

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

- (1) The types of lotteries to be conducted; ;
- (2) The price, or prices, of tickets or shares in the lottery; ;
- (3) The numbers and sizes of the prizes on the winning tickets or shares; ;
- (4) The manner of selecting the winning tickets or shares; ;
- (5) The manner of payment of prizes to the holders of winning tickets or shares; ;
- (6) The frequency of the drawing or selections of winning tickets or shares, without limitation; ;
- (7) Without limit to number, the type or types of locations at which tickets or shares may be sold; ;
- (8) The method to be used in selling tickets or shares; ;
- (9) The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public; ;

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

(11) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery or for the implementation and oversight of any Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery and for the

convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.

~~Any rules and regulations of the Department with respect to monthly transfers to the Common School Fund are subject to Section 21.2.~~

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

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

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

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

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

Sec. 7.4. Studies and investigations of lottery. The Department or, if the State enters into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery, the Board shall carry on a continuous study and investigation of the lottery throughout the State (1) for the purpose of ascertaining any defects in this Act or in the rules and regulations issued under this Act whereby any abuses in the administration and operation of the lottery or any evasion of this Act or the rules and regulations may arise or be practiced, (2) for the purpose of formulating recommendations for changes in this Act and the rules and regulations promulgated hereunder to prevent such abuses and evasions, (3) to guard against the use of this Act and the rules and regulations issued hereunder as a cloak for the carrying on of organized gambling and crime, and (4) to insure that the law and rules and regulations shall be in such form and be so administered as to serve the true purposes of this Act.

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

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

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

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

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

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

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

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

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

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

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

Sec. 7.8a. Advertising policy. The Board shall establish advertising policy to ensure that advertising content and practices do not target with the intent to exploit specific groups or economic classes of people, and that its content is accurate and not misleading. The Board shall review, at least quarterly, all past advertising and proposed concepts for major media campaigns to ensure that they do not target with the intent to exploit specific groups or economic classes of people, and that their content is accurate and not misleading. If the Board finds that advertising conflicts with such policy, it shall have the authority to direct the Department to cease that advertising. If the State enters into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery and the Concessionaire has the right to undertake marketing and advertising activities, the Concessionaire shall submit, for the Board's review of content and determination of compliance with this Section, all marketing and advertising materials pursuant to such rules and policies as the Board may promulgate from time to time. If the Board

finds that action proposed or taken by the Concessionaire conflicts with those rules or policies, the Board shall have the authority to direct the Concessionaire to cease or refrain from taking that action.

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

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

~~Sec. 7.11. (Repealed.) The Division may establish and collect nominal charges for promotional products ("premiums") and other promotional materials produced or acquired by the Division as part of its advertising and promotion activities. Such premiums or other promotional materials may be sold to individuals, government agencies and not for profit organizations, but not to for profit enterprises for the purpose of resale. Other State agencies shall be charged no more than the cost to the Division of the premium or promotional material. All proceeds from the sale of premiums or promotional materials shall be deposited in the State Lottery Fund in the State Treasury.~~

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

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

Sec. 8. Compelling appearance of witnesses and production of documents; oaths and affirmations; dispositions. In connection with any hearing held pursuant to Section 6.1 or 7.3 of this Act, the Board, or any Hearing Officer appointed by the Board, may subpoena and compel the appearance of witnesses and production of documents, papers, books, records and other evidence before it in any matter over which it has jurisdiction, control or supervision. The Board, or any appointed Hearing Officer, shall have the power to administer oaths and affirmations to persons whose testimony is required. If a person subpoenaed to attend in any such proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in any such proceeding or hearing refuses, without lawful cause, to be examined or to answer a legal or pertinent question or to exhibit any books, account, record or other document when ordered so to do by the Board or its Hearing Officer, the Board or Hearing Officer may apply to the circuit court, upon proof by affidavit of the facts, for an order returnable in not less than 2 nor more than 10 days, or as the court may prescribe, directing such person to show cause before the court why he or she should not comply with such subpoena or such order.

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

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

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

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

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

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

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

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

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

- a. To supervise and administer the operation of the lottery in accordance with the provisions of this Act or such rules and regulations of the Department adopted thereunder.
- b. To attend meetings of the Board or to appoint a designee to attend in his stead.

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

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

e. To suspend or revoke any license issued pursuant to this Act or the rules and regulations promulgated by the Department thereunder.

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

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

h. To enter into a Management and Concession Agreement that authorizes a Concessionaire to enter into an agreement or agreements with the management of state lotteries operated pursuant to the laws of other states for the purpose of creating and operating a multi-state lottery game wherein a separate and distinct prize pool would be combined to award larger prizes to the public than could be offered by the several state lotteries, individually or, if the State enters into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery, to authorize the Concessionaire to take such action. No tickets or shares offered in connection with a multi-state lottery game shall be sold within the State of Illinois, except those offered by and through the Department or, if the State enters into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery, by the Concessionaire pursuant to the terms of the Management and Concession Agreement and this amendatory Act of the 95th General Assembly. No such agreement shall purport to pledge the full faith and credit of the State of Illinois, nor shall the Department expend State funds on a contractual basis in connection with any such game unless such expenditures are expressly authorized by the General Assembly, provided, however, that in the event of error or omission by the Illinois State Lottery in the conduct of the game, as determined by the multi-state game directors, except as may be and to the extent modified by the terms of a Management and Concession Agreement, the Department shall be authorized to pay a prize winner or winners the lesser of a disputed prize or \$1,000,000, any such payment to be made solely from funds appropriated for game prize purposes. Except as may be and to the extent modified by the terms of a Management and Concession Agreement, ~~the~~ The Department shall be authorized to share in the ordinary operating expenses of any such multi-state lottery game, from funds appropriated by the General Assembly, and in the event the multi-state game control offices are physically located within the State of Illinois, the Department is authorized to advance start-up operating costs not to exceed \$150,000, subject to proportionate reimbursement of such costs by the other participating state lotteries. The Department shall be authorized to share proportionately in the costs of establishing a liability reserve fund from funds appropriated by the General Assembly. The Department is authorized to transfer prize award funds attributable to Illinois sales of multi-state lottery game tickets to the multi-state control office, or its designated depository, for deposit to such game pool account or accounts as may be established by the multi-state game directors, the records of which account or accounts shall be available at all times for inspection in an audit by the Auditor General of Illinois and any other auditors pursuant to the laws of the State of Illinois. No multi-state game prize awarded to a nonresident of Illinois, with respect to a ticket or share purchased in a state other than the State of Illinois, shall be deemed to be a prize awarded

under this Act for the purpose of taxation under the Illinois Income Tax Act. ~~All of the net revenues accruing from the sale of multi-state lottery tickets or shares shall be transferred into the Common School Fund pursuant to Section 7.2.~~ The Department shall promulgate such rules as may be appropriate to implement the provisions of this Section.

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

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

k. In the event that the State shall enter into a Management and Concession Agreement, it shall be the duty of the Superintendent, together with the Board, to supervise and administer the operations of the lottery in accordance with the provisions of this Act, the rules and regulations of the Board adopted hereunder, and the terms of the Management and Concession Agreement.

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

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

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

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

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

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

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

If the State enters into a Management and Concession Agreement pursuant to which the State authorizes a Concessionaire to retain agents to distribute lottery tickets, the Division shall cease issuing licenses to

agents to sell lottery tickets or shares during the term of the Management and Concession Agreement. In retaining such agents, the Concessionaire shall apply appropriate criteria in determining suitability of those agents, including without limitation, criteria establishing the ineligibility for a license as set forth in Section 10.1 of this Act. Further, the Concessionaire shall provide to the Department, not less than monthly, a list of all agents the Concessionaire has engaged to distribute lottery tickets or shares, which statement shall include a certification that all such agents comply with the eligibility standards set forth in this Act.

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

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

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

- (a) any person who has been convicted of a felony;
- (b) any person who is or has been a professional gambler or gambling promoter, except when the person acted in such a capacity pursuant to and in compliance with all applicable law;
- (c) any person who has engaged in bookmaking or other forms of illegal gambling;
- (d) any person who is not of good character and reputation in the community in which he resides;
- (e) any person who has been found guilty of any fraud or misrepresentation in any connection;
- (f) any firm or corporation in which a person defined in (a), (b), (c), (d) or (e) has a proprietary, equitable or credit interest of 5% or more.
- (g) any organization in which a person defined in (a), (b), (c), (d) or (e) is an officer, director, or managing agent, whether compensated or not;
- (h) any organization in which a person defined in (a), (b), (c), (d), or (e) is to participate in the management or sales of lottery tickets or shares.

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

- 1) at least 10 years have elapsed since the date when the sentence for the most recent such conviction was satisfactorily completed;
- 2) the applicant has no history of criminal activity subsequent to such conviction;
- 3) the applicant has complied with all conditions of probation, conditional discharge, supervision, parole or mandatory supervised release; and
- 4) the applicant presents at least 3 letters of recommendation from responsible citizens in his community who personally can attest that the character and attitude of the applicant indicate that he is unlikely to commit another crime.

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

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

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

Sec. 10.1a. Failure to satisfy tax Act requirements. In addition to other grounds specified in this Act, the Division shall refuse to issue and shall suspend the license of any lottery sales agency who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Department, until such time as the requirements of any such tax Act are satisfied, unless the agency is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of tax. If the State enters into a Management and Concession Agreement pursuant to which the State authorizes a Concessionaire to engage any sales agent, the Division may direct the Concessionaire to refrain from engaging or to suspend the engagement of any party acting or seeking to act as a sales agent. The Division shall affirmatively verify the tax status of every sales agency before issuing or renewing a license, except that, if the State enters into a Management and Concession Agreement pursuant to which the State authorizes a Concessionaire to engage any sales agent, the Division shall verify the tax status of each agent from the list of agents provided by the Concessionaire pursuant to Section 10 of this Act. For purposes of this Section, a sales agency shall not be considered delinquent in the payment of a tax if the agency (a) has entered into an agreement with the Department for the payment of all such taxes that are due and (b) is in compliance with the agreement.

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

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

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

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

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

Sec. 10.3. Proceeds received by sales agent. All proceeds from the sale of lottery tickets or shares received by a person in the capacity of a sales agent shall constitute a trust fund until paid to the Department either directly, or through the Department's authorized collection representative. Proceeds shall include unsold instant tickets received by a sales agent and cash proceeds of sale of any lottery products, net of allowable sales commissions and credit for lottery prizes paid to winners by sales agents. Sales proceeds and unsold instant tickets shall be delivered to the Department or its authorized collection representative upon demand. Sales agents shall be personally liable for all proceeds which shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets. In the case of a sales agent who is not an individual, personal liability shall attach to the owners and officers of the sales agent. The Department shall have a right to file a lien upon all real and personal property of any person who is personally liable under this Section for any unpaid proceeds, which were to be segregated as a trust fund under this Section, at any time after such payment was to have been made. Such lien shall include any interest and penalty provided for by this Act and shall be deemed equivalent to, and have the same effect as, the State tax lien under the Retailers' Occupation Tax Act. The term "person" as used in this Section, and in Section 10.4 of this Act, shall have the same meaning as provided in Section 10 of this Act. This Section, and Sections 10.4 and 10.5 of this Act shall apply with respect to all lottery tickets or shares generated by computer terminal, other electronic device, and any other tickets delivered to sales agents on and after September 1, 1987. If the State enters into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery and pursuant to which the State shall receive any portion of Lottery revenue: (i) the Concessionaire may be the Department's authorized collection representative; and (ii) no such arrangement shall diminish the Department's rights pursuant to this Section. For purposes of this Section, "sales agent" includes any sales agent engaged by a Concessionaire pursuant to the terms of a Management and Concession Agreement.

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

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

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

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

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

Sec. 10.5. Sales agent; insolvency. Whenever any person who receives proceeds from the sale of lottery tickets in the capacity of sales agent becomes insolvent, or dies insolvent, the proceeds due the Department from such person or his estate shall have preference over all debts or demands, except as follows:

- (a) Amounts due for necessary funeral expenses;
- (b) Amounts due for medical care and medicine during his most recent illness preceding death;
- (c) Debts due to the United States;
- (d) Debts due to the State of Illinois and all State and local taxes; and
- (e) Wages for labor performed within the 6 months immediately preceding the death of such deceased person, not exceeding \$1,000 due to another person and provided further that such proceeds shall be nondischargeable in insolvency proceedings instituted pursuant to Chapter 7, Chapter 11, or Chapter 13 of the Federal Bankruptcy Act.

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

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

Sec. 10.6. Odds of winning. The Division shall make an effort to more directly inform players of the odds of winning prizes. This effort shall include, at a minimum, that the Division require all ticket agents to display a placard stating the odds of winning for each game offered by that agent. In the event that the State shall enter into a Management and Concession Agreement, the Division shall be relieved of its duties under this Section 10.6 and the Concessionaire shall be obligated to comply with the requirements of this Section 10.6.

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

(20 ILCS 1605/10.7)

Sec. 10.7. Compulsive gambling.

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

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

(c) The Division shall print a statement of no more than one sentence in length regarding obtaining assistance with gambling problems and including a toll-free "800" number providing crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling on the back of all lottery tickets.

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

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

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

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

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

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

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

- (i) information privileged against introduction in judicial proceedings;
- (ii) internal communications of the several agencies;
- (iii) information concerning secret manufacturing processes or confidential data submitted by any person under this Act;
- (iv) any creative proposals, scripts, storyboards or other materials prepared by or for the Division or a Concessionaire under a Management and Concession Agreement, prior to the placement of the materials in the media, if the prior release of the materials would compromise the effectiveness of an advertising campaign.

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

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

Sec. 13. Right to prize; payment. Except as otherwise provided in Section 13.1, no prize, nor any portion of a prize, nor any right of any person to a prize awarded shall be assignable. Any prize, or portion thereof remaining unpaid at the death of a prize winner, may be paid to the estate of such deceased prize winner, or to the trustee under a revocable living trust established by the deceased prize winner as settlor, provided that a copy of such a trust has been filed with the Department along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the Division prior to the settlor's death. Following such a settlor's death and prior to any payment to such a successor trustee, the Superintendent shall obtain from the trustee a written agreement to indemnify and hold the Department and the Division harmless with respect to any claims that may be asserted against the Department or the Division arising



from payment to or through the trust. Notwithstanding any other provision of this Section, any person pursuant to an appropriate judicial order may be paid the prize to which a winner is entitled, and all or part of any prize otherwise payable by State warrant under this Section shall be withheld upon certification to the State Comptroller from the Illinois Department of Healthcare and Family Services Public Aid as provided in Section 10-17.5 of The Illinois Public Aid Code. The Director and the Superintendent shall be discharged of all further liability upon payment of a prize pursuant to this Section.

If the State enters into a Management and Concession Agreement pursuant to which a payor other than the State, or a department, division, agency, or other unit of the State shall have the obligation to pay a prize, except as otherwise provided in Section 13.1, neither a prize, nor any portion of a prize, nor any right of any person to a prize awarded shall be assignable. Any prize, or portion thereof remaining unpaid at the death of a prize winner, may be paid to the estate of that deceased prize winner, or to the trustee under a revocable living trust established by the deceased prize winner as settlor, provided that a copy of that trust has been delivered to the third party prize payor along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the third party prize payor prior to the settlor's death. Following such a settlor's death and prior to any payment to such a successor trustee, the third party prize payor shall obtain from the trustee a written agreement to indemnify and hold the third party prize payor and the State harmless with respect to any claims that may be asserted against such third party prize payor or the State arising from the payment of the prize to or through the trust. The Director and the Superintendent shall be discharged of all further liability upon payment of a prize pursuant to this Section.  
(Source: P.A. 93-465, eff. 1-1-04; 94-776, eff. 5-19-06; revised 8-21-06.)

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

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

Any person convicted of violating this Section shall be guilty of a Class B misdemeanor; provided, that if any offense under this Section is a subsequent offense, the offender shall be guilty of a Class 4 felony.  
(Source: P.A. 94-776, eff. 5-19-06.)

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

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

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

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

(20 ILCS 1605/14.3)

Sec. 14.3. Misuse of proprietary material prohibited. Except as may be provided in Section 7.11, or by bona fide sale or by prior authorization from the Department or the Division, or otherwise by law, all premiums, promotional and other proprietary material produced or acquired by the Division as part of its advertising and promotional activities shall remain the property of the Department. Nothing herein shall be construed to affect the rights or obligations of the Department or any other person under federal or State trademark or copyright laws, nor shall anything herein be construed to prevent the Department or Division from assigning its rights in such property to a Concessionaire pursuant to a Management and Concession Agreement.

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

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

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

No ticket or share shall be purchased by, and no prize shall be paid to any of the following persons: any member of the Board or any officer or other person employed by the Board or by the Department; any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of

abode of any such persons; or any minor under 18 years of age.

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

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

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

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

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

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

Sec. 17. Other laws providing penalty or disability for sale of lottery tickets or shares inapplicable. No other law providing any penalty or disability for the sale of lottery tickets or shares or any acts done in connection with the lottery established under this Act shall apply to the sale of tickets or shares performed pursuant to this Act.

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

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

Sec. 19. Claiming prizes. The Division shall establish an appropriate period for the claiming of prizes for each lottery game offered. Each claim period shall be stated in game rules and written play instructions issued by the Superintendent in accordance with Section 7.1 of this Act or, if the State enters into a Management and Concession Agreement pursuant to which a Concessionaire shall manage or operate the Lottery, such rules and written play instructions as may be issued in accordance with the terms of the Management and Concession Agreement. Written play instructions shall be made available to all players through sales agents licensed to sell game tickets or shares. Prizes for lottery games which involve the purchase of a physical lottery ticket may be claimed only by presentation of a valid winning lottery ticket that matches validation records on file with the Lottery or, if the State enters into a Management and Concession Agreement pursuant to which a Concessionaire manages or operates the Lottery, the records on file with that Concessionaire; no claim may be honored which is based on the assertion that the ticket was lost or stolen. No lottery ticket which has been altered, mutilated, or fails to pass validation tests shall be deemed to be a winning ticket.

If no claim is made for the money within the established claim period, then the unclaimed prize money shall be transferred to the General Revenue Fund ~~the prize may be included in the prize pool of such special drawing or drawings as the Division may, from time to time, designate.~~ Unclaimed multi-state game prize money may be included in the multi-state prize pool for such special drawing or drawings as the multi-state game directors may, from time to time, designate. ~~Any bonuses offered by the Department to sales agents who sell winning tickets or shares shall be payable to such agents regardless of whether or not the prize money on the ticket or share is claimed, provided that the agent can be identified as the vendor of the winning ticket or share, and that the winning ticket or share was sold on or after January 1, 1984. All unclaimed prize money not included in the prize pool of a special drawing shall be transferred to the Common School Fund.~~

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

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

Sec. 20. State Lottery Fund.

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

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

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

(Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05; revised 8-19-05.)

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

Sec. 21. Payments or deposits of moneys and income. All lottery sales agents or distributors shall be liable to the Lottery for any and all tickets accepted or generated by any employee or representative of that agent or distributor, and such tickets shall be deemed to have been purchased by the agent or distributor unless returned to the Lottery or if the State enters into a Management and Concession Agreement pursuant to which a Concessionaire engages sales agents or distributors, to such Concessionaire as may be allowed according to the terms of the Management and Concession Agreement within the time and in the manner prescribed by the Superintendent. All moneys received by such agents or distributors from the sale of lottery tickets or shares, less the amount retained as compensation for the sale of the tickets or shares and the amount paid out as prizes, shall be paid over to a lottery representative or deposited in a bank or savings and loan association approved by the State Treasurer, as prescribed by the Superintendent or, if the State enters into a Management and Concession Agreement pursuant to which those moneys are to be held by a trustee, to that trustee and in accordance with such terms as may be set forth in the Management and Concession Agreement.

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

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

If any money due the Lottery by a sales agent or distributor is not paid when due or demanded, it shall immediately become delinquent and be billed on a subsequent monthly statement. If on the closing date for any monthly statement a delinquent amount previously billed of more than \$50 remains unpaid, interest in such amount shall be accrued at the rate of 2% per month or fraction thereof from the date when such delinquent amount becomes past due until such delinquent amount, including interest, penalty and other costs and charges that the Department may incur in collecting such amounts, is paid. In case any agent or distributor fails to pay any moneys due the Lottery within 30 days after a second bill or statement is rendered to the agent or distributor, such amount shall be deemed seriously delinquent and may be referred by the Department to a collection agency or credit bureau for collection. Any contract entered into by the Department for the collection of seriously delinquent accounts with a collection agency or credit bureau may be satisfied by a commercially reasonable percentage of the delinquent account recouped, which shall be negotiated by the Department in accordance with commercially accepted standards. Any costs incurred by the Department or others authorized to act in its behalf in collecting such delinquencies may be assessed against the agent or distributor and included as a part of the delinquent account.

In case of failure of an agent or distributor to pay a seriously delinquent amount, or any portion thereof, including interest, penalty and costs, the Division may issue a Notice of Assessment. In determining amounts shown on the Notice of Assessment, the Division shall utilize the financial information available from its records. Such Notice of Assessment shall be prima facie correct and shall be prima facie evidence of delinquent sums due under this Section at any hearing before the Board, or its Hearing Officers, or at any other legal proceeding. Reproduced copies of the Division's records relating to a delinquent account or a Notice of Assessment offered in the name of the Department, under the Certificate of the Director or any officer or employee of the Department designated in writing by the Director shall, without further proof, be admitted into evidence in any such hearing or any legal proceeding and shall be prima facie proof of the delinquency, including principal and any interest, penalties and costs, as shown thereon. The Attorney General may bring suit on behalf of the Department to collect all such delinquent amounts, or any portion thereof, including interest, penalty and costs, due the Lottery.

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

amount.

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

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

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

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

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

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

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

Sec. 21.3. ~~Officer of corporation; personal liability.~~ Any officer of any corporation licensed as an agent for the sale of Lottery tickets and products shall be personally liable for the total amount of Lottery receipts due the Department which are unpaid by the corporation, together with any interest and penalties thereon assessed in accordance with the provision of Section 21 of the Act.

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

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

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

(20 ILCS 1605/21.5)

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

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

(b) The Ticket For The Cure Fund is created as a special fund in the State treasury. The net revenue from the Carolyn Adams Ticket For The Cure special instant scratch-off game shall be deposited into the Fund for appropriation by the General Assembly solely to the Department of Public Health for the purpose of making grants to public or private entities in Illinois for the purpose of funding research concerning breast cancer and for funding services for breast cancer victims. The Department must, before grants are awarded, provide copies of all grant applications to the Ticket For The Cure Board, receive and review the Board's recommendations and comments, and consult with the Board regarding the grants. For purposes of this Section, the term "research" includes, without limitation, expenditures to develop and advance the understanding, techniques, and modalities effective in the detection, prevention, screening, and treatment of breast cancer and may include clinical trials. The grant funds may not be used for institutional, organizational, or community-based overhead costs, indirect costs, or levies.

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

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

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

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

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

(20 ILCS 1605/21.7 new)

Sec. 21.7. Right to direct offer of new games. If the State enters into a Management and Concession Agreement, the State shall retain the right to direct the Concessionaire to offer games as the General Assembly may determine appropriate from time to time. The General Assembly may in its discretion direct the deposit and use of net revenues from any such new games. The operation of any such new games shall be governed by this Act and any rules necessary to implement and administer the provisions of this Section as adopted by the Department.

For purposes of this Section, "net revenue" means the total amount for which tickets have been sold less the sum of the amount paid out in the prizes and the costs and expenses of the Department related to the game.

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

Sec. 24. Preaudit of accounts and transactions by State Comptroller; post-audits by Auditor General. The State Comptroller shall conduct a preaudit of all accounts and transactions of the Department in connection with the operation of the State Lottery under the State Comptroller Act, excluding payments issued by the Department for prizes of \$25,000 or less.

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

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

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

Sec. 25. Review under Administrative Review Law. Any party adversely affected by a final order or determination of the Board or the Department may obtain judicial review, by filing a petition for review within 35 days after the entry of the order or other final action complained of, pursuant to the provisions of the Administrative Review Law, as amended and the rules adopted pursuant thereto.

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

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

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

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

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

Sec. 27. Contracts; investments; proceeds; Deferred Lottery Prize Winners Trust Fund; disbursements; State Lottery Fund; Lottery Concession Fund. (a) The State Treasurer may, with the consent of the Director, contract with any person or corporation, including, without limitation, a bank, banking house, trust company or investment banking firm, to perform such financial functions, activities or services in connection with operation of the lottery as the State Treasurer and the Director may prescribe.

(b) All proceeds from investments made pursuant to contracts executed by the State Treasurer, with the consent of the Director, to perform financial functions, activities or services in connection with operation of the lottery, shall be deposited and held by the State Treasurer as ex-officio custodian thereof, separate and apart from all public money or funds of this State in a special trust fund outside the State treasury. Such

trust fund shall be known as the "Deferred Lottery Prize Winners Trust Fund", and shall be administered by the Director.

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

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

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

(c-5) If a deferred lottery prize is not claimed within the claim period established by game rule, then the securities or other instruments purchased to fund the prize shall be liquidated and the liquidated amount shall be transferred to the State Lottery Fund for disposition pursuant to Section 19 of this Act. In the event that the State shall enter into a Management and Concession Agreement, this Section 27(c-5) shall not apply to any prizes awarded after the closing date of the Management and Concession Agreement.

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

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

(c-20) In the event that the State shall enter into a Management and Concession Agreement pursuant to which a Concessionaire is authorized to manage or operate the Lottery, there shall be created a fund to be known as the Lottery Concession Trust Fund, which shall be a special, non-appropriated trust fund held outside the State treasury and separate and apart from all public money and funds of this State. All proceeds from the sale of lottery tickets or shares and all other revenue from the State's conduct of the Lottery as authorized under this amendatory Act of the 95th General Assembly, including lottery revenues a Concessionaire may be eligible to receive under a Management and Concession Agreement, shall be paid into the Fund.

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

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

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

Section 10. The Illinois Procurement Code is amended by changing Section 50-70 as follows:

(30 ILCS 500/50-70)

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

- (1) Article 33E of the Criminal Code of 1961;
- (2) the Illinois Human Rights Act;
- (3) the Discriminatory Club Act;
- (4) the Illinois Governmental Ethics Act;
- (5) the State Prompt Payment Act;
- (6) the Public Officer Prohibited Activities Act; ~~and~~
- (7) the Drug Free Workplace Act; and -
- (8) The Illinois Lottery Law.

(Source: P.A. 90-572, eff. 2-6-98.)

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

Representative Hoffman offered the following amendment and moved its adoption.

AMENDMENT NO. 2. Amend House Bill 2055, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 3, below line 13, by inserting the following:

"(b-5) A portion of the consideration paid to the State shall be used, in combination with other revenue sources, to replace funds that would have been transferred to the Common School Fund pursuant to this Act prior to the enactment of this amendatory Act of the 95th General Assembly."; and on page 5, below line 3, by inserting the following:

"If the State enters into a Management and Concession Agreement pursuant to the terms of this Section, the State shall retain as employees of the State any employees of the Lottery who are employed by the Lottery as of the signing of the Management and Concession Agreement.".

The foregoing motions prevailed and Amendments numbered 1 and 2 were adopted.

There being no further amendments, the foregoing Amendments numbered 1 and 2 were ordered engrossed; and the bill, as amended, was advanced to the order of Third Reading.

### HOUSE BILL ON THIRD READING

The following bill and any amendments adopted thereto were reproduced. This bill has been examined, any amendments thereto engrossed and any errors corrected. Any amendments pending were tabled pursuant to Rule 40(a).

On motion of Representative Madigan, HOUSE BILL 2055 was taken up and read by title a third time. Pending discussion, Representative Joyce moved the previous question.

And the question being, "Shall the main question be now put?" it was decided in the affirmative.

The question then being, "Shall this bill pass?" it was decided in the negative by the following vote:

6, Yeas; 78, Nays; 11, Answering Present.

(ROLL CALL 2)

This bill, having failed to receive the votes of a constitutional majority of the Members elected, was declared lost.

At the hour of 4:17 o'clock p.m., Representative Currie moved that the House do now adjourn until Saturday, July 7, 2007, at 12:00 o'clock p.m.

The motion prevailed.

And the First Special Session stood adjourned.

STATE OF ILLINOIS  
 NINETY-FIFTH  
 GENERAL ASSEMBLY  
 HOUSE ROLL CALL  
 FIRST SPECIAL SESSION  
 QUORUM ROLL CALL FOR ATTENDANCE

July 06, 2007

0 YEAS

0 NAYS

100 PRESENT

P Acevedo	P Dugan	P Krause	P Reboletti
E Arroyo	P Dunkin	P Lang	P Reis
E Bassi	E Dunn	P Leitch (ADDED)	P Reitz
P Beaubien	E Durkin	E Lindner	P Riley
P Beiser	P Eddy	P Lyons	P Rita
P Bellock	P Feigenholtz	P Mathias	P Rose
P Berrios	E Flider	P Mautino	P Ryg
P Biggins	P Flowers	P May	P Sacia
P Black	P Ford	P McAuliffe	P Saviano
P Boland	P Fortner	P McCarthy	P Schmitz
P Bost	P Franks	P McGuire	P Schock
P Bradley, John	E Fritchey	P Mendoza	P Scully
P Bradley, Richard	P Froehlich	P Meyer	P Smith
P Brady	P Golar	P Miller	P Sommer
P Brauer	E Gordon	P Mitchell, Bill	P Soto
P Brosnahan	E Graham	P Mitchell, Jerry	P Stephens
E Burke	P Granberg	P Moffitt	P Sullivan
P Chapa LaVia	P Hamos	E Molaro	P Tracy
P Coladipietro	P Hannig	P Mulligan	P Tryon
P Cole	E Harris	P Munson	P Turner
E Collins	P Hassert	P Myers	P Verschoore
E Colvin	P Hernandez	P Nekritz	P Wait
E Coulson	P Hoffman	P Osmond	P Washington
P Crespo	P Holbrook	P Osterman	P Watson
P Cross	P Howard	E Patterson	P Winters
P Cultra	E Jakobsson	P Phelps	P Yarbrough
P Currie	P Jefferies	P Pihos	P Younge
P D'Amico	E Jefferson	P Poe	P Mr. Speaker
P Davis, Monique	P Joyce	P Pritchard	
P Davis, William	P Kosel	P Ramey	

E - Denotes Excused Absence



STATE OF ILLINOIS  
 NINETY-FIFTH  
 GENERAL ASSEMBLY  
 HOUSE ROLL CALL  
 FIRST SPECIAL SESSION  
 HOUSE BILL 2055  
 PUBLIC EMPLOYEE BENEFITS-TECH  
 THIRD READING  
 FAILED

July 06, 2007

6 YEAS

78 NAYS

11 PRESENT

N Acevedo	N Dugan	N Krause	N Reboletti
E Arroyo	Y Dunkin	N Lang	N Reis
E Bassi	E Dunn	A Leitch	P Reitz
N Beaubien	E Durkin	E Lindner	A Riley
P Beiser	N Eddy	N Lyons	N Rita
N Bellock	P Feigenholtz	N Mathias	N Rose
N Berrios	E Flider	N Mautino	P Ryg
N Biggins	N Flowers	P May	N Sacia
N Black	N Ford	N McAuliffe	N Saviano
N Boland	N Fortner	Y McCarthy	E Schmitz
N Bost	N Franks	N McGuire	N Schock
N Bradley, John	E Fritchey	N Mendoza	N Scully
Y Bradley, Richard	N Froehlich	N Meyer	N Smith
N Brady	N Golar	E Miller	N Sommer
N Brauer	E Gordon	N Mitchell, Bill	N Soto
N Brosnahan	E Graham	N Mitchell, Jerry	N Stephens
E Burke	Y Granberg	N Moffitt	N Sullivan
N Chapa LaVia	P Hamos	E Molaro	N Tracy
N Coladipietro	N Hannig	N Mulligan	N Tryon
N Cole	E Harris	N Munson	N Turner
E Collins	N Hassert	N Myers	N Verschoore
E Colvin	N Hernandez	P Nekritz	N Wait
E Coulson	Y Hoffman	N Osmond	P Washington
N Crespo	P Holbrook	N Osterman	N Watson
N Cross	N Howard	E Patterson	N Winters
N Cultra	E Jakobsson	P Phelps	N Yarbrough
N Currie	P Jefferies	E Pihos	N Younge
N D'Amico	E Jefferson	N Poe	N Mr. Speaker
N Davis, Monique	N Joyce	N Pritchard	
Y Davis, William	N Kosel	N Ramey	

E - Denotes Excused Absence