

**104TH GENERAL ASSEMBLY****State of Illinois****2025 and 2026****HB2674**

Introduced 2/6/2025, by Rep. Margaret Croke

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Illinois Lottery Law. Removes a provision that requires the Department of the Lottery to 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 Department during the previous year and instructions concerning how the public may obtain copies of these materials from the Department. Provides that written play instructions shall be made available on the Department's public website or by the Department by request (rather than made available through sales agents licensed to sell game tickets or shares). Makes a change in a provision that makes any organization in which specified individuals are to participate in the management or sales of lottery tickets or shares ineligible for any license under the Act. Provides that the State Lottery Fund shall receive from the sale of lottery tickets or shares consisting of the net of commissions and fees representing those expenses that are directly proportionate to the sale of tickets or shares at the agent location and prizes of \$600 or less (rather than less than \$600) which have been validly paid at the agent level. Provides that the Department may pay any prize (rather than prizes up to \$25,000) from funds held by the Department in an account separate and apart from all public moneys of the State. Removes provisions allowing moneys in the account to be deposited by the Department into the Public Treasurers' Investment Pool or used to pay amounts to deferred prize winners. Allows the Department (rather than the State Treasurer with the consent of the Director of the Lottery) to contract with any person or corporation to perform such financial functions, activities, or services in connection with operation of the lottery. Allows, with the consent of the Director, the State Treasurer to act as an agent of the Department to perform the financial functions as the Director may prescribe. Removes language requiring the Director to prepare and send to the State Comptroller vouchers requesting payment from the Deferred Lottery Prize Winners Trust Fund to deferred prize winners. Removes certain deadlines related to private managers. In provisions concerning preaudits by the State Comptroller, removes a limitation that the provisions apply to payments for prizes of \$25,000 or less. Makes other changes.

LRB104 08891 LNS 18946 b

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Lottery Law is amended by changing  
5 Sections 7.1, 9.1, 10.1, 10.6, 19, 20, 20.1, 24, and 27 as  
6 follows:

7 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

8 Sec. 7.1. The Department shall promulgate such rules and  
9 regulations governing the establishment and operation of a  
10 State lottery as it deems necessary to carry out the purposes  
11 of this Act. Such rules and regulations shall be subject to the  
12 provisions of The Illinois Administrative Procedure Act. The  
13 Department shall issue written game rules, play instructions,  
14 directives, operations manuals, brochures, or any other  
15 publications necessary to conduct specific games, as  
16 authorized by rule by the Department. Any written game rules,  
17 play instructions, directives, operations manuals, brochures,  
18 or other game publications issued by the Department that  
19 relate to a specific lottery game shall be maintained as a  
20 public record in the Department's principal office, and made  
21 available for public inspection and copying but shall be  
22 exempt from the rulemaking procedures of the Illinois  
23 Administrative Procedure Act. However, when such written

1 materials contain any policy of general applicability, the  
2 Department shall formulate and adopt such policy as a rule in  
3 accordance with the provisions of the Illinois Administrative  
4 Procedure Act. ~~In addition, the Department shall publish each~~  
5 ~~January in the Illinois Register a list of all game specific~~  
6 ~~rules, play instructions, directives, operations manuals,~~  
7 ~~brochures, or other game specific publications issued by the~~  
8 ~~Department during the previous year and instructions~~  
9 ~~concerning how the public may obtain copies of these materials~~  
10 ~~from the Department.~~

11 (Source: P.A. 97-464, eff. 10-15-11.)

12 (20 ILCS 1605/9.1)

13 Sec. 9.1. Private manager and management agreement.

14 (a) As used in this Section:

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

17 "Request for qualifications" means all materials and  
18 documents prepared by the Department to solicit the following  
19 from offerors:

20 (1) Statements of qualifications.

21 (2) Proposals to enter into a management agreement,  
22 including the identity of any prospective vendor or  
23 vendors that the offeror intends to initially engage to  
24 assist the offeror in performing its obligations under the  
25 management agreement.

1 "Final offer" means the last proposal submitted by an  
2 offeror in response to the request for qualifications,  
3 including the identity of any prospective vendor or vendors  
4 that the offeror intends to initially engage to assist the  
5 offeror in performing its obligations under the management  
6 agreement.

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

10 (b) (Blank). ~~By September 15, 2010, the Governor shall~~  
11 ~~select a private manager for the total management of the~~  
12 ~~Lottery with integrated functions, such as lottery game~~  
13 ~~design, supply of goods and services, and advertising and as~~  
14 ~~specified in this Section.~~

15 (c) (Blank). ~~Pursuant to the terms of this subsection, the~~  
16 ~~Department shall endeavor to expeditiously terminate the~~  
17 ~~existing contracts in support of the Lottery in effect on July~~  
18 ~~13, 2009 (the effective date of Public Act 96 37) in~~  
19 ~~connection with the selection of the private manager. As part~~  
20 ~~of its obligation to terminate these contracts and select the~~  
21 ~~private manager, the Department shall establish a mutually~~  
22 ~~agreeable timetable to transfer the functions of existing~~  
23 ~~contractors to the private manager so that existing Lottery~~  
24 ~~operations are not materially diminished or impaired during~~  
25 ~~the transition. To that end, the Department shall do the~~  
26 ~~following:~~

1           ~~(1) where such contracts contain a provision~~  
2           ~~authorizing termination upon notice, the Department shall~~  
3           ~~provide notice of termination to occur upon the mutually~~  
4           ~~agreed timetable for transfer of functions;~~

5           ~~(2) upon the expiration of any initial term or renewal~~  
6           ~~term of the current Lottery contracts, the Department~~  
7           ~~shall not renew such contract for a term extending beyond~~  
8           ~~the mutually agreed timetable for transfer of functions;~~  
9           ~~or~~

10           ~~(3) in the event any current contract provides for~~  
11           ~~termination of that contract upon the implementation of a~~  
12           ~~contract with the private manager, the Department shall~~  
13           ~~perform all necessary actions to terminate the contract on~~  
14           ~~the date that coincides with the mutually agreed timetable~~  
15           ~~for transfer of functions.~~

16           ~~If the contracts to support the current operation of the~~  
17           ~~Lottery in effect on July 13, 2009 (the effective date of~~  
18           ~~Public Act 96-34) are not subject to termination as provided~~  
19           ~~for in this subsection (c), then the Department may include a~~  
20           ~~provision in the contract with the private manager specifying~~  
21           ~~a mutually agreeable methodology for incorporation.~~

22           (c-5) The Department shall include provisions in the  
23           management agreement whereby the private manager shall, for a  
24           fee, and pursuant to a contract negotiated with the Department  
25           (the "Employee Use Contract"), utilize the services of current  
26           Department employees to assist in the administration and

1 operation of the Lottery. The Department shall be the employer  
2 of all such bargaining unit employees assigned to perform such  
3 work for the private manager, and such employees shall be  
4 State employees, as defined by the Personnel Code. Department  
5 employees shall operate under the same employment policies,  
6 rules, regulations, and procedures, as other employees of the  
7 Department. In addition, neither historical representation  
8 rights under the Illinois Public Labor Relations Act, nor  
9 existing collective bargaining agreements, shall be disturbed  
10 by the management agreement with the private manager for the  
11 management of the Lottery.

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

14 (1) A term not to exceed 10 years, including any  
15 renewals.

16 (2) A provision specifying that the Department:

17 (A) shall exercise actual control over all  
18 significant business decisions;

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

22 (B) has ready access at any time to information  
23 regarding Lottery operations;

24 (C) has the right to demand and receive  
25 information from the private manager concerning any  
26 aspect of the Lottery operations at any time; and

1 (D) retains ownership of all trade names,  
2 trademarks, and intellectual property associated with  
3 the Lottery.

4 (3) A provision imposing an affirmative duty on the  
5 private manager to provide the Department with material  
6 information and with any information the private manager  
7 reasonably believes the Department would want to know to  
8 enable the Department to conduct the Lottery.

9 (4) A provision requiring the private manager to  
10 provide the Department with advance notice of any  
11 operating decision that bears significantly on the public  
12 interest, including, but not limited to, decisions on the  
13 kinds of games to be offered to the public and decisions  
14 affecting the relative risk and reward of the games being  
15 offered, so the Department has a reasonable opportunity to  
16 evaluate and countermand that decision.

17 (5) A provision providing for compensation of the  
18 private manager ~~that may consist of, among other things, a~~  
19 ~~fee for services and a performance based bonus as~~  
20 ~~consideration for managing the Lottery, including terms~~  
21 ~~that may provide the private manager with an increase in~~  
22 ~~compensation if Lottery revenues grow by a specified~~  
23 ~~percentage in a given year.~~

24 (6) (Blank).

25 (7) A provision requiring the deposit of all Lottery  
26 proceeds to be deposited into the State Lottery Fund

1           except as otherwise provided in Section 20 of this Act.

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

4           (8-5) A provision encouraging that, pursuant to  
5           Section 4 of the Business Enterprise for Minorities,  
6           Women, and Persons with Disabilities Act, ~~at least 20% of~~  
7           ~~the cost of~~ contracts entered into for goods and services  
8           by the private manager in connection with its management  
9           of the Lottery, other than contracts with sales agents or  
10          technical advisors, be awarded to businesses that are a  
11          minority-owned business, a women-owned business, or a  
12          business owned by a person with disability, as those terms  
13          are defined in the Business Enterprise for Minorities,  
14          Women, and Persons with Disabilities Act.

15          (9) A requirement that so long as the private manager  
16          complies with all the conditions of the agreement under  
17          the oversight of the Department, the private manager shall  
18          have the following duties and obligations with respect to  
19          the management of the Lottery:

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

22                (B) The rights and obligations under contracts  
23                with retailers and vendors.

24                (C) The implementation of a comprehensive security  
25                program by the private manager.

26                (D) The implementation of a comprehensive system



1           of internal audits.

2           (E) The implementation of a program by the private  
3           manager to curb compulsive gambling by persons playing  
4           the Lottery.

5           (F) A system for determining (i) the type of  
6           Lottery games, (ii) the method of selecting winning  
7           tickets, (iii) the manner of payment of prizes to  
8           holders of winning tickets, (iv) the frequency of  
9           drawings of winning tickets, (v) the method to be used  
10          in selling tickets, (vi) a system for verifying the  
11          validity of tickets claimed to be winning tickets,  
12          (vii) the basis upon which retailer commissions are  
13          established by the manager, and (viii) minimum  
14          payouts.

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

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

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

24          (13) A requirement that the Department monitor and  
25          oversee the private manager's practices and take action  
26          that the Department considers appropriate to ensure that

1 the private manager is in compliance with the terms of the  
2 management agreement, while allowing the manager, unless  
3 specifically prohibited by law or the management  
4 agreement, to negotiate and sign its own contracts with  
5 vendors.

6 (14) A provision requiring the private manager to  
7 periodically file, at least on an annual basis,  
8 appropriate financial statements in a form and manner  
9 acceptable to the Department.

10 (15) Cash reserves requirements.

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

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

17 (18) Procedures for amendment of the agreement.

18 (19) A provision requiring the private manager to  
19 engage in an open and competitive bidding process for any  
20 procurement having a cost in excess of the small purchase  
21 limits under Section 20-20 of the Illinois Procurement  
22 Code ~~\$50,000~~ that is not a part of the private manager's  
23 final offer. The process shall favor the selection of a  
24 vendor deemed to have submitted a proposal that provides  
25 the Lottery with the best overall value. The process shall  
26 not be subject to the provisions of the Illinois

1 Procurement Code, unless specifically required by the  
2 management agreement.

3 (20) The transition of rights and obligations,  
4 including any associated equipment or other assets used in  
5 the operation of the Lottery, from the manager to any  
6 successor manager of the lottery, including the  
7 Department, following the termination of or foreclosure  
8 upon the management agreement.

9 (21) Right of use of copyrights, trademarks, and  
10 service marks held by the Department in the name of the  
11 State. The agreement must provide that any use of them by  
12 the manager shall only be for the purpose of fulfilling  
13 its obligations under the management agreement during the  
14 term of the agreement.

15 (22) The disclosure of any information requested by  
16 the Department to enable it to comply with the reporting  
17 requirements and information requests provided for under  
18 subsection (p) of this Section.

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

24 (1) the offeror's ability to market the Lottery to  
25 those residents who are new, infrequent, or lapsed players  
26 of the Lottery, especially those who are most likely to

1 make regular purchases on the Internet;

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

5 (3) the offeror's ability to provide the most  
6 successful management of the Lottery for the benefit of  
7 the people of the State based on current and past business  
8 practices or plans of the offeror; and

9 (4) the offeror's poor or inadequate past performance  
10 in servicing, equipping, operating or managing a lottery  
11 on behalf of Illinois, another State or foreign government  
12 and attracting persons who are not currently regular  
13 players of a lottery.

14 (f) The Department may retain the services of an advisor  
15 or advisors with significant experience in financial services  
16 or the management, operation, and procurement of goods,  
17 services, and equipment for a government-run lottery to assist  
18 in the preparation of the terms of the request for  
19 qualifications and selection of the private manager. Any  
20 prospective advisor seeking to provide services under this  
21 subsection (f) shall disclose any material business or  
22 financial relationship during the past 3 years with any  
23 potential offeror, or with a contractor or subcontractor  
24 presently providing goods, services, or equipment to the  
25 Department to support the Lottery. The Department shall  
26 evaluate the material business or financial relationship of

1 each prospective advisor. The Department shall not select any  
2 prospective advisor with a substantial business or financial  
3 relationship that the Department deems to impair the  
4 objectivity of the services to be provided by the prospective  
5 advisor. During the course of the advisor's engagement by the  
6 Department, and for a period of one year thereafter, the  
7 advisor shall not enter into any business or financial  
8 relationship with any offeror or any vendor identified to  
9 assist an offeror in performing its obligations under the  
10 management agreement. Any advisor retained by the Department  
11 shall be disqualified from being an offeror. The Department  
12 shall not include terms in the request for qualifications that  
13 provide a material advantage whether directly or indirectly to  
14 any potential offeror, or any contractor or subcontractor  
15 presently providing goods, services, or equipment to the  
16 Department to support the Lottery, including terms contained  
17 in previous responses to requests for proposals or  
18 qualifications submitted to Illinois, another State or foreign  
19 government when those terms are uniquely associated with a  
20 particular potential offeror, contractor, or subcontractor.  
21 ~~The request for proposals offered by the Department on~~  
22 ~~December 22, 2008 as "LOT08GAMESYS" and reference number~~  
23 ~~"22016176" is declared void.~~

24 ~~(g) The Department shall select at least 2 offerors as~~  
25 ~~finalists to potentially serve as the private manager no later~~  
26 ~~than August 9, 2010.~~ Upon making preliminary selections, the

1 Department shall schedule a public hearing on the finalists'  
2 proposals and provide public notice of the hearing at least 7  
3 calendar days before the hearing. The notice must include all  
4 of the following:

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

6 (2) The subject matter of the hearing.

7 (3) A brief description of the management agreement to  
8 be awarded.

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

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

13 (h) At the public hearing, the Department shall (i)  
14 provide sufficient time for each finalist to present and  
15 explain its proposal to the Department and the Governor or the  
16 Governor's designee, including an opportunity to respond to  
17 questions posed by the Department, Governor, or designee and  
18 (ii) allow the public and non-selected offerors to comment on  
19 the presentations. The Governor or a designee shall attend the  
20 public hearing. After the public hearing, the Department shall  
21 have 14 calendar days to recommend to the Governor whether a  
22 management agreement should be entered into with a particular  
23 finalist. After reviewing the Department's recommendation, the  
24 Governor may accept or reject the Department's recommendation,  
25 and shall select a final offeror as the private manager by  
26 publication of a notice in the Illinois Procurement Bulletin

1 ~~on or before September 15, 2010.~~ The Governor shall include in  
2 the notice a detailed explanation and the reasons why the  
3 final offeror is superior to other offerors and will provide  
4 management services in a manner that best achieves the  
5 objectives of this Section. The Governor shall also sign the  
6 management agreement with the private manager.

7 (i) Any action to contest the private manager selected by  
8 the Governor under this Section must be brought within 7  
9 calendar days after the publication of the notice of the  
10 designation of the private manager as provided in subsection  
11 (h) of this Section.

12 (j) The Lottery shall remain, for so long as a private  
13 manager manages the Lottery in accordance with provisions of  
14 this Act, a Lottery conducted by the State, and the State shall  
15 not be authorized to sell or transfer the Lottery to a third  
16 party.

17 (k) Any tangible personal property used exclusively in  
18 connection with the lottery that is owned by the Department  
19 and leased to the private manager shall be owned by the  
20 Department in the name of the State and shall be considered to  
21 be public property devoted to an essential public and  
22 governmental function.

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

26 (m) Neither this Section nor any management agreement

1 entered into under this Section prohibits the General Assembly  
2 from authorizing forms of gambling that are not in direct  
3 competition with the Lottery. The forms of gambling authorized  
4 by Public Act 101-31 constitute authorized forms of gambling  
5 that are not in direct competition with the Lottery.

6 (n) The private manager shall be subject to a complete  
7 investigation in the third, seventh, and tenth years of the  
8 agreement (if the agreement is for a 10-year term) by the  
9 Department in cooperation with the Auditor General to  
10 determine whether the private manager has complied with this  
11 Section and the management agreement. The private manager  
12 shall bear the cost of an investigation or reinvestigation of  
13 the private manager under this subsection.

14 (o) The powers conferred by this Section are in addition  
15 and supplemental to the powers conferred by any other law. If  
16 any other law or rule is inconsistent with this Section,  
17 including, but not limited to, provisions of the Illinois  
18 Procurement Code, then this Section controls as to any  
19 management agreement entered into under this Section. This  
20 Section and any rules adopted under this Section contain full  
21 and complete authority for a management agreement between the  
22 Department and a private manager. No law, procedure,  
23 proceeding, publication, notice, consent, approval, order, or  
24 act by the Department or any other officer, Department,  
25 agency, or instrumentality of the State or any political  
26 subdivision is required for the Department to enter into a



1 management agreement under this Section. This Section contains  
2 full and complete authority for the Department to approve any  
3 contracts entered into by a private manager with a vendor  
4 providing goods, services, or both goods and services to the  
5 private manager under the terms of the management agreement,  
6 including subcontractors of such vendors.

7       Upon receipt of a written request from the Chief  
8 Procurement Officer, the Department shall provide to the Chief  
9 Procurement Officer a complete and un-redacted copy of the  
10 management agreement or any contract that is subject to the  
11 Department's approval authority under this subsection (o). The  
12 Department shall provide a copy of the agreement or contract  
13 to the Chief Procurement Officer in the time specified by the  
14 Chief Procurement Officer in his or her written request, but  
15 no later than 5 business days after the request is received by  
16 the Department. The Chief Procurement Officer must retain any  
17 portions of the management agreement or of any contract  
18 designated by the Department as confidential, proprietary, or  
19 trade secret information in complete confidence pursuant to  
20 subsection (g) of Section 7 of the Freedom of Information Act.  
21 The Department shall also provide the Chief Procurement  
22 Officer with reasonable advance written notice of any contract  
23 that is pending Department approval.

24       Notwithstanding any other provision of this Section to the  
25 contrary, the Chief Procurement Officer shall adopt  
26 administrative rules, including emergency rules, to establish

1 a procurement process to select a successor private manager if  
2 a private management agreement has been terminated. The  
3 selection process shall at a minimum take into account the  
4 criteria set forth in items (1) through (4) of subsection (e)  
5 of this Section and may include provisions consistent with  
6 subsections (f), (g), (h), and (i) of this Section. The Chief  
7 Procurement Officer shall also implement and administer the  
8 adopted selection process upon the termination of a private  
9 management agreement. The Department, after the Chief  
10 Procurement Officer certifies that the procurement process has  
11 been followed in accordance with the rules adopted under this  
12 subsection (o), shall select a final offeror as the private  
13 manager and sign the management agreement with the private  
14 manager.

15 Through June 30, 2022, except as provided in Sections  
16 21.5, 21.6, 21.7, 21.8, 21.9, 21.10, 21.11, 21.12, and 21.13  
17 of this Act and Section 25-70 of the Sports Wagering Act, the  
18 Department shall distribute all proceeds of lottery tickets  
19 and shares sold in the following priority and manner:

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

21 (2) The payment of costs incurred in the operation and  
22 administration of the Lottery, including the payment of  
23 sums due to the private manager under the management  
24 agreement with the Department.

25 (3) On the last day of each month or as soon thereafter  
26 as possible, the State Comptroller shall direct and the

1 State Treasurer shall transfer from the State Lottery Fund  
2 to the Common School Fund an amount that is equal to the  
3 proceeds transferred in the corresponding month of fiscal  
4 year 2009, as adjusted for inflation, to the Common School  
5 Fund.

6 (4) On or before September 30 of each fiscal year,  
7 deposit any estimated remaining proceeds from the prior  
8 fiscal year, subject to payments under items (1), (2), and  
9 (3), into the Capital Projects Fund. Beginning in fiscal  
10 year 2019, the amount deposited shall be increased or  
11 decreased each year by the amount the estimated payment  
12 differs from the amount determined from each year-end  
13 financial audit. Only remaining net deficits from prior  
14 fiscal years may reduce the requirement to deposit these  
15 funds, as determined by the annual financial audit.

16 Beginning July 1, 2022, the Department shall distribute  
17 all proceeds of lottery tickets and shares sold in the manner  
18 and priority described in Section 9.3 of this Act, except that  
19 the Department shall make the deposit into the Capital  
20 Projects Fund that would have occurred under item (4) of this  
21 subsection (o) on or before September 30, 2022, but for the  
22 changes made to this subsection by Public Act 102-699.

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

25 (1) the Department shall submit written quarterly  
26 reports to the Governor and the General Assembly on the

1 activities and actions of the private manager selected  
2 under this Section;

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

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

17 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
18 101-561, eff. 8-23-19; 102-558, eff. 8-20-21; 102-699, eff.  
19 4-19-22; 102-1115, eff. 1-9-23.)

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

21 Sec. 10.1. The following are ineligible for any license  
22 under this Act:

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

24 (b) any person who is or has been a professional  
25 gambler or gambling promoter;

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

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

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

7 (f) any firm or corporation in which a person defined  
8 in item (a), (b), (c), (d), or (e) has a proprietary,  
9 equitable or credit interest of 5% or more; and

10 (g) any organization in which a person defined in item  
11 (a), (b), (c), (d), or (e) is an officer, director, or  
12 managing agent, whether compensated or not; and

13 (h) any organization in which a person defined in item  
14 ~~(a), (b), (c), (d),~~ or (e) is to participate in the  
15 management or sales of lottery tickets or shares.

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

19 1) at least 10 years have elapsed since the date when  
20 the sentence for the most recent such conviction was  
21 satisfactorily completed;

22 2) the applicant has no history of criminal activity  
23 subsequent to such conviction;

24 3) the applicant has complied with all conditions of  
25 probation, conditional discharge, supervision, parole or  
26 mandatory supervised release; and

1           4) the applicant presents at least 3 letters of  
2       recommendation from responsible citizens in his community  
3       who personally can attest that the character and attitude  
4       of the applicant indicate that he is unlikely to commit  
5       another crime.

6       The Department may revoke, without notice or a hearing,  
7       the license of any agent who violates this Act or any rule or  
8       regulation promulgated pursuant to this Act. However, if the  
9       Department does revoke a license without notice and an  
10      opportunity for a hearing, the Department shall, by  
11      appropriate notice, afford the person whose license has been  
12      revoked an opportunity for a hearing within 30 days after the  
13      revocation order has been issued. As a result of any such  
14      hearing, the Department may confirm its action in revoking the  
15      license, or it may order the restoration of such license.

16      (Source: P.A. 97-464, eff. 10-15-11.)

17           (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

18       Sec. 10.6. The Department shall make an effort to more  
19       directly inform players of the odds of winning prizes by  
20       publishing the information for all games on the Department's  
21       public website. ~~This effort shall include, at a minimum, that~~  
22       ~~the Department require all ticket agents to display a placard~~  
23       ~~stating the odds of winning for each game offered by that~~  
24       ~~agent.~~

25      (Source: P.A. 97-464, eff. 10-15-11.)

1 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

2 Sec. 19. The Department shall establish an appropriate  
3 period for the claiming of prizes for each lottery game  
4 offered. Each claim period shall be stated in game rules and  
5 written play instructions issued by the Director in accordance  
6 with Section 7.1 of this Act. Written play instructions shall  
7 be made available on the Department's public website or by the  
8 Department by request ~~to all players through sales agents~~  
9 ~~licensed to sell game tickets or shares~~. Prizes for lottery  
10 games which involve the purchase of a physical lottery ticket  
11 may be claimed only by presentation of a valid winning lottery  
12 ticket that matches validation records on file with the  
13 Lottery; no claim may be honored which is based on the  
14 assertion that the ticket was lost or stolen. No lottery  
15 ticket which has been altered, mutilated, or fails to pass  
16 validation tests shall be deemed to be a winning ticket.

17 If no claim is made for the money within the established  
18 claim period, the prize may be included in the prize pool of  
19 such special drawing or drawings as the Department may, from  
20 time to time, designate. Unclaimed multi-state game prize  
21 money may be included in the multi-state prize pool for such  
22 special drawing or drawings as the multi-state game directors  
23 may, from time to time, designate. Any bonuses offered by the  
24 Department to sales agents who sell winning tickets or shares  
25 shall be payable to such agents regardless of whether or not

1 the prize money on the ticket or share is claimed, provided  
2 that the agent can be identified as the vendor of the winning  
3 ticket or share, and that the winning ticket or share was sold  
4 on or after January 1, 1984. All unclaimed prize money not  
5 included in the prize pool of a special drawing shall be  
6 transferred to the Common School Fund.

7 (Source: P.A. 97-464, eff. 10-15-11; 98-499, eff. 8-16-13.)

8 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

9 Sec. 20. State Lottery Fund.

10 (a) There is created in the State Treasury a special fund  
11 to be known as the State Lottery Fund. Such fund shall consist  
12 of all revenues received from (1) the sale of lottery tickets  
13 or shares, (net of commissions, fees representing those  
14 expenses that are directly proportionate to the sale of  
15 tickets or shares at the agent location, and prizes of ~~less~~  
16 ~~than~~ \$600 or less which have been validly paid at the agent  
17 level), (2) application fees, and (3) all other sources  
18 including moneys credited or transferred thereto from any  
19 other fund or source pursuant to law. Interest earnings of the  
20 State Lottery Fund shall be credited to the Common School  
21 Fund.

22 (a-5) The receipt and distribution of moneys under Section  
23 21.4 of this Act shall be in accordance with Section 21.4.

24 (b) The receipt and distribution of moneys under Section  
25 21.5 of this Law shall be in accordance with Section 21.5.



1 (c) The receipt and distribution of moneys under Section  
2 21.6 of this Law shall be in accordance with Section 21.6.

3 (d) The receipt and distribution of moneys under Section  
4 21.7 of this Law shall be in accordance with Section 21.7.

5 (e) The receipt and distribution of moneys under Section  
6 21.8 of this Law shall be in accordance with Section 21.8.

7 (f) The receipt and distribution of moneys under Section  
8 21.9 of this Law shall be in accordance with Section 21.9.

9 (g) The receipt and distribution of moneys under Section  
10 21.10 of this Law shall be in accordance with Section 21.10.

11 (h) The receipt and distribution of moneys under Section  
12 21.11 of this Law shall be in accordance with Section 21.11.

13 (i) (Blank).

14 (j) The receipt and distribution of moneys under Section  
15 21.13 of this Law shall be in accordance with Section 21.13.

16 (k) The receipt and distribution of moneys under Section  
17 25-70 of the Sports Wagering Act shall be in accordance with  
18 Section 25-70 of the Sports Wagering Act.

19 (l) The receipt and distribution of moneys under Section  
20 21.15 of this Law shall be in accordance with Section 21.15.

21 (m) The receipt and distribution of moneys under Section  
22 21.16 of this Law shall be in accordance with Section 21.16.

23 (Source: P.A. 102-16, eff. 6-17-21; 103-381, eff. 7-28-23.)

24 (20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

25 Sec. 20.1. Department account.

1           (a) The Department is authorized to pay validated prizes  
2 ~~up to \$25,000~~ from funds held by the Department in an account  
3 separate and apart from all public moneys of the State. Moneys  
4 in this account shall be administered by the Director  
5 exclusively for the purposes of issuing payments to prize  
6 winners authorized by this Section. ~~Moneys in this account~~  
7 ~~shall be deposited by the Department into the Public~~  
8 ~~Treasurers' Investment Pool established under Section 17 of~~  
9 ~~the State Treasurer Act.~~ The Department shall submit vouchers  
10 from time to time as needed for reimbursement of this account  
11 from moneys appropriated for prizes from the State Lottery  
12 Fund. Investment income earned from this account shall be  
13 deposited ~~monthly~~ by the Department into the Common School  
14 Fund. The Department shall file quarterly fiscal reports  
15 specifying the activity of this account as required under  
16 Section 16 of the State Comptroller Act, and shall file  
17 quarterly with the General Assembly, the Auditor General, the  
18 Comptroller, and the State Treasurer a report indicating the  
19 costs associated with this activity.

20           (b) The Department is authorized to enter into an  
21 interagency agreement with the Office of the Comptroller or  
22 any other State agency to establish responsibilities, duties,  
23 and procedures for complying with the Comptroller's Offset  
24 System under Section 10.05 of the State Comptroller Act. All  
25 federal and State tax reporting and withholding requirements  
26 relating to prize winners under this Section shall be the

1 responsibility of the Department. ~~Moneys from this account may~~  
2 ~~not be used to pay amounts to deferred prize winners.~~ Moneys  
3 may not be transferred from the State Lottery Fund to this  
4 account for payment of prizes under this Section until  
5 procedures are implemented to comply with the Comptroller's  
6 Offset System and sufficient internal controls are in place to  
7 validate prizes.

8 (Source: P.A. 97-464, eff. 10-15-11; 98-499, eff. 8-16-13.)

9 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

10 Sec. 24. The State Comptroller shall conduct a preaudit of  
11 all accounts and transactions of the Department in connection  
12 with the operation of the State Lottery under the State  
13 Comptroller Act, excluding payments issued by the Department  
14 for prizes ~~of \$25,000 or less.~~

15 The Auditor General or a certified public accountant firm  
16 appointed by him shall conduct an annual post-audit of all  
17 accounts and transactions of the Department in connection with  
18 the operation of the State Lottery and other special post  
19 audits as the Auditor General, the Legislative Audit  
20 Commission, or the General Assembly deems necessary. The  
21 annual post-audits shall include payments made by lottery  
22 sales agents of prizes of ~~less than~~ \$600 or less authorized  
23 under Section 20, and payments made by the Department of  
24 prizes ~~up to \$25,000~~ authorized under Section 20.1. The  
25 Auditor General or his agent conducting an audit under this

1 Act shall have access and authority to examine any and all  
2 records of the Department or the Board, its distributing  
3 agents and its licensees.

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

5 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

6 Sec. 27. (a) The Department may ~~State Treasurer may, with~~  
7 ~~the consent of the Director,~~ contract with any person or  
8 corporation, including, without limitation, a bank, banking  
9 house, trust company or investment banking firm, to perform  
10 such financial functions, activities or services in connection  
11 with operation of the lottery. The State Treasurer may, with  
12 the consent of the Director, act as an agent of the Department  
13 to perform the financial functions as the Director may  
14 prescribe as the State Treasurer and the Director may  
15 prescribe.

16 (b) All proceeds from investments made pursuant to  
17 contracts executed by the Department or the State Treasurer,  
18 with the consent of the Director, to perform financial  
19 functions, activities or services in connection with operation  
20 of the lottery, shall be deposited and held ~~by the State~~  
21 ~~Treasurer as ex-officio custodian thereof,~~ separate and apart  
22 from all public money or funds of this State in a special trust  
23 fund outside the State treasury. Such trust fund shall be  
24 known as the "Deferred Lottery Prize Winners Trust Fund", and  
25 shall be administered by the Director.

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

6       This Act shall constitute an irrevocable appropriation of  
7       all amounts necessary for that purpose, and the irrevocable  
8       and continuing authority for and direction to the Director and  
9       the State Treasurer to make the necessary payments out of such  
10      trust fund for that purpose.

11      (c) Moneys invested pursuant to subsection (a) of this  
12      Section may be invested only in bonds, notes, certificates of  
13      indebtedness, treasury bills, or other securities constituting  
14      direct obligations of the United States of America and all  
15      securities or obligations the prompt payment of principal and  
16      interest of which is guaranteed by a pledge of the full faith  
17      and credit of the United States of America. Interest earnings  
18      on moneys in the Deferred Lottery Prize Winners Trust Fund  
19      shall remain in such fund and be used to pay the winners of  
20      lottery prizes deferred as to payment until such obligations  
21      are discharged. Proceeds from bonds purchased and interest  
22      accumulated as a result of a grand prize multi-state game  
23      ticket that goes unclaimed will be transferred after the  
24      termination of the relevant claim period directly from the  
25      lottery's Deferred Lottery Prize Winners Trust Fund to each  
26      respective multi-state partner state according to its

1 contribution ratio.

2 (c-5) If a deferred lottery prize is not claimed within  
3 the claim period established by game rule, then the securities  
4 or other instruments purchased to fund the prize shall be  
5 liquidated and the liquidated amount shall be transferred to  
6 the State Lottery Fund for disposition pursuant to Section 19  
7 of this Act.

8 (c-10) The Director may use a portion of the moneys in the  
9 Deferred Lottery Prize Winners Trust Fund to purchase bonds to  
10 pay a lifetime prize if the prize duration exceeds the length  
11 of available securities. If the winner of a lifetime prize  
12 exceeds his or her life expectancy as determined using  
13 actuarial assumptions and the securities or moneys set aside  
14 to pay the prize have been exhausted, moneys in the State  
15 Lottery Fund shall be used to make payments to the winner for  
16 the duration of the winner's life.

17 (c-15) From time to time, the Director may request that  
18 the State Comptroller transfer any excess moneys in the  
19 Deferred Lottery Prize Winners Trust Fund to the State Lottery  
20 Fund.

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

23 (Source: P.A. 97-464, eff. 10-15-11; 98-463, eff. 8-16-13;  
24 98-499, eff. 8-16-13.)

## 1 INDEX

## 2 Statutes amended in order of appearance

3	20 ILCS 1605/7.1	from Ch. 120, par. 1157.1
4	20 ILCS 1605/9.1	
5	20 ILCS 1605/10.1	from Ch. 120, par. 1160.1
6	20 ILCS 1605/10.6	from Ch. 120, par. 1160.6
7	20 ILCS 1605/19	from Ch. 120, par. 1169
8	20 ILCS 1605/20	from Ch. 120, par. 1170
9	20 ILCS 1605/20.1	from Ch. 120, par. 1170.1
10	20 ILCS 1605/24	from Ch. 120, par. 1174
11	20 ILCS 1605/27	from Ch. 120, par. 1177