1 AN ACT concerning gaming.

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

- Section 5. The Bingo License and Tax Act is amended by changing Sections 1.1 and 2 and by adding Section 2.5 as
- 6 follows:

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- 7 (230 ILCS 25/1.1)
- 8 Sec. 1.1. Definitions. For purposes of this Act, the 9 following definitions apply:
- "Bingo" means a game in which each player has a card or 10 board for which a consideration has been paid, containing 5 11 horizontal rows of spaces, with each row except the central one 12 containing 5 figures. The central row has 4 figures with the 13 14 word "free" marked in the center space. "Bingo" includes games that otherwise qualify under this paragraph, except for the use 15 of cards where the figures are not preprinted but are filled in 16 17 by the players. A player wins a game of bingo by completing a preannounced combination of spaces or, in the absence of a 18 19 preannouncement of a combination of spaces, any combination of 20 5 spaces in a row, vertically, horizontally, or diagonally.
  - "Bingo equipment" means any equipment or machinery designed or used for the play of bingo. "Bingo equipment" does not include electronic equipment.

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- "Charitable organization" means 1 an organization 2 institution organized and operated to benefit an indefinite number of the public. 3
- "Department" means the Department of Revenue.
  - "Educational organization" means an organization institution organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which compare favorably in their scope and intensity with the course of study presented in tax-supported schools.
  - "Fraternal organization" means an organization of persons having a common interest that is organized and operated exclusively to promote the welfare of its members and to benefit the general public on a continuing and consistent basis, including but not limited to ethnic organizations.
- 16 "Holiday" means any of the holidays listed in Section 17 of 17 the Promissory Note and Bank Holiday Act.
- "Labor organization" means an organization composed of 18 labor unions or workers organized with the objectives of 19 betterment of the conditions of those engaged in such pursuit 20 and the development of a higher degree of efficiency in their 21 22 respective occupations.
  - "Licensed organization" means a qualified organization that has obtained a license to conduct bingo in conformance with the provisions of this Act.
- 26 "Limited license" means a license issued to an organization

- that is not a licensed organization, but that is otherwise 1
- 2 eligible for a regular license to conduct bingo. A limited
- license authorizes the conduct of bingo at up to 2 indoor or 3
- outdoor festivals during the calendar year for which the
- 5 license is issued for a maximum of 5 consecutive days on each
- 6 occasion.
- 7 "Non-profit organization" organization means an
- 8 institution organized and conducted on a not-for-profit basis
- 9 with no personal profit inuring to anyone as a result of the
- 10 operation.
- 11 "Organization" means a corporation, agency, partnership,
- 12 association, firm, business or other entity consisting of 2 or
- 13 more persons joined by a common interest or purpose.
- "Person" means any natural individual, corporation, 14
- 15 partnership, limited liability company, organization
- 16 defined in this Section), licensee under this Act,
- 17 volunteer.
- "Provider" means any person or organization, except a city, 18
- 19 village, or incorporated town that owns or leases premises to
- 20 an organization for the conduct of bingo.
- "Regular license" means a license authorizing its holder to 21
- 22 conduct one session of bingo per week on the date and at the
- 23 time and location stated on the license.
- "Religious organization" means any church, congregation, 24
- 25 society, or organization founded for the purpose of religious
- 26 worship.

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"Senior citizens organization" means an organization or association comprised of members of which substantially all are individuals who are senior citizens, as defined in the Illinois Act on the Aging, the primary purpose of which is to promote the welfare of its members.

"Special games" means bingo games that may be designated as such, played a maximum of 5 times during a bingo session and are distinguished from regular games only by the maximum price that may be charged for the bingo cards used.

"Special permit" means the ability of a licensee who currently holds a license to be granted a permit to conduct bingo at other premises or on other days not exceeding 5 consecutive days.

"Supplier" means any person, firm, or corporation that sells, leases, or distributes to any organization licensed to conduct bingo or to any licensed bingo supplier, cards, boards, sheets, markers, pads and any other supplies, devices and

- equipment designed for use in the play of bingo. 1
- 2 "Veterans' organization" means an organization comprised
- of members of which substantially all are individuals who are 3
- veterans or spouses, widows, or widowers of veterans, the 4
- 5 primary purpose of which is to promote the welfare of its
- members and to provide assistance to the general public in such 6
- a way as to confer a public benefit. 7
- 8 "Volunteer" means a person recruited by an organization who
- 9 voluntarily performs services at a bingo event, including
- 10 participation in the management or operation of a game.
- 11 "Youth athletic organization" means an organization having
- 12 its exclusive purpose the promotion and provision of
- athletic activities for youth aged 18 and under. 13
- (Source: P.A. 95-228, eff. 8-16-07.) 14
- (230 ILCS 25/2) (from Ch. 120, par. 1102) 15
- 16 Sec. 2. The conducting of bingo is subject to the following
- restrictions: 17
- (1) The entire net proceeds from bingo play must be 18
- 19 exclusively devoted to the lawful purposes of the
- 20 organization permitted to conduct that game.
- 21 (2) (Blank).
- 22 (2.5) No person except a bona fide member or employee
- 23 of the sponsoring organization may participate in the
- 24 management or operation of bingo.
- 25 (3) No person may receive any remuneration or profit

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for participating in the management or operation of the game, except that if an organization licensed under this is associated with a school or other educational institution, that school or institution may reduce tuition or fees for a designated pupil based on participation in the management or operation of the game by any member of the organization. The extent to which tuition and fees are reduced shall relate proportionately to the amount of time volunteered by the member, as determined by the school or other educational institution.

- (4) (Blank). The aggregate retail value of all prizes or merchandise awarded in any single day of bingo may not exceed \$2,250, except that in adjoining counties 200,000 to 275,000 inhabitants each, and in counties which are adjacent to either of such adjoining counties and are adjacent to a total of not more than 2 counties in this State, and in any municipality having 2,500 or more inhabitants and within one mile of such adjoining and adjacent counties having less than 25,000 inhabitants, 2 additional bingo games may be conducted after the \$2,250 limit has been reached. The prize awarded for any one game, including any game conducted after reaching the \$2,250 as authorized in this paragraph (4), may not \$500 cash or its equivalent.
- (5) The number of games, including regular and special games, may not exceed 25 in any one day, except that this

restriction on the number of games shall not apply to bingo conducted at the Illinois State Fair or any county fair held in Illinois.

- may not exceed \$1 and such card is valid for all regular games on that day of bingo. A maximum of 5 special games may be held on each bingo day, except that this restriction on the number of special games shall not apply to bingo conducted at the Illinois State Fair or any county fair held in Illinois. The price for a single special game card may not exceed 50 cents.
- (7) The number of bingo days conducted by a licensee under this  $Act_{,}$  including any remote caller bingo games, is limited to 2 one per week, except as follows:
  - (i) Bingo may be conducted in accordance with the terms of a special operator's permit or limited license issued under subdivision (7) or (8) of Section 1.3.
  - (ii) Bingo may be conducted at the Illinois State Fair or any county fair held in Illinois under subdivision (6) of Section 1.3.
  - (iii) A licensee which cancels a day of bingo because of inclement weather or because the day is a holiday or the eve of a holiday may, after giving notice to the Department, conduct bingo on an additional date which falls on a day of the week other than the day authorized under the license.

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- (8) A licensee may rent a premises on which to conduct bingo only from an organization which is licensed as a provider of premises or exempt from license requirements under this Act. If the organization providing the premises is a metropolitan exposition, auditorium, and office building authority created by State law, a licensee may enter into a rental agreement with the organization authorizing the licensee and the organization to share the gross proceeds of bingo games; however, the organization shall not receive more than 50% of the gross proceeds.
- (9) No person under the age of 18 years may play or participate in the conducting of bingo. Any person under the age of 18 years may be within the area where bingo is being played only when accompanied by his parent or quardian.
- (10)The promoter of bingo games must have proprietary interest in the game promoted.
- (11) Raffles or other forms of gambling prohibited by law shall not be conducted on the premises where bingo is being conducted, except that pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act may be conducted on the premises where bingo is being conducted. Prizes awarded in pull tabs and jar games shall not be included in the bingo prize limitation.
- (12) Organizations may be issued a special permit or limited license no more than 2 times in any year. An

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organization holding a special operator's permit or a limited license may, as one of the occasions allowed by such permit or license, conduct bingo for a maximum of 2 consecutive days. If an organization conducts bingo pursuant to a limited license or special permit, then the number of games played during each day may exceed 25, and regular game cards need not be valid for all regular games. If only noncash prizes are awarded during such occasions, the prize limits stated in subdivision (4) of this Section shall not apply, provided that the retail value of noncash prizes for any single game shall not exceed \$150.

(Source: P.A. 95-228, eff. 8-16-07.)

- (230 ILCS 25/2.5 new) 1.3
- 14 Sec. 2.5. Remote caller bingo license; restrictions.
- 15 (a) No person or organization may conduct a remote caller 16 bingo game without a remote caller bingo license. The remote caller bingo game license must list all of the locations 17 18 approved by the Department to conduct remote caller bingo games under that license. The Department shall issue qualifications 19 20 for a remote caller bingo license and set forth an application 21 process.
- 22 (b) The conducting of a remote caller bingo game is subject 23 to the following restrictions:
- 24 (1) The drawing of each ball bearing a number or symbol by the natural person calling the game shall be visible to 25

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all players as the ball is drawn, including through a simultaneous live video feed at remote locations at which players may participate in the game. The audio or video technology used to link the facilities may include cable, Internet, satellite, broadband, or telephone technology, or any other means of electronic transmission that ensures the secure, accurate, and simultaneous transmission of the announcement of numbers or symbols in the game from the location at which the game is called by a natural person to the remote location or locations at which players may participate in the game.

- (2) The remote caller bingo licensee or members of its organization shall not receive a profit, wage, or salary from the remote caller bingo game.
- (3) The remote caller bingo game shall be operated and staffed only by the remote caller bingo licensee or members of its organization with the exception of administrative, managerial, technical, financial, or security personnel who are employed by the remote caller bingo licensee at a location participating in the remote caller bingo game. Notwithstanding any other provision of law, an exclusive agreement or other agreement between the remote caller bingo licensee and other entities or persons to provide services in the administration, management, or conduct of the game shall not be considered a violation of the prohibition against holding a legally cognizable financial

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interest in the conduct of the remote caller bingo game by persons or entities other than the charitable organization.

(4) The remote caller bingo licensee shall not have overhead costs exceeding 25% of gross sales, except that the limitations of this item (4) shall not apply to one-time, non-recurring capital acquisitions. For purposes of this item (4), overhead costs include, but are not limited to, amounts paid for rent and equipment leasing and the reasonable fees authorized to be paid to administrative, managerial, technical, financial, and security personnel employed by the remote caller bingo licensee.

For the purpose of keeping its overhead costs below 25% of gross sales, a remote caller bingo licensee may elect to deduct all or a portion of the fees paid to financial institutions for the use and processing of credit card sales from the amount of gross revenues awarded for prizes. These deducted fees for the use and processing of credit card sales shall not be considered overhead costs. Additionally, fees paid to financial institutions for the use and processing of credit card sales shall not be deducted from the proceeds retained by the charitable organization.

(5) No person shall be allowed to participate in a remote caller bingo game unless the person is physically

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present at the time and place where the remote caller bingo game is being conducted. A person shall be deemed to be physically present at the place where the remote caller bingo game is being conducted if he or she is present at any of the locations participating in the remote caller bingo game in accordance with this Section.

- (6) An organization shall only co-sponsor a remote caller bingo game with one or more other organizations that share the same type of membership category. Unaffiliated organizations shall be limited to a maximum of 10 locations for a remote caller bingo game and a maximum of 2 remote caller bingo games per week.
- (7) Every remote caller bingo game shall be played until a winner is declared. The declared winner of a remote caller bingo game shall provide his or her identifying information and a mailing address to the onsite manager of the remote caller bingo game. Prizes shall be paid only by check if the prize money exceeds \$999.99. The remote caller bingo licensee may issue a check to the winner at the time of the game or mail a check to the declared winner by certified mail, return receipt requested, within 10 days after the remote caller bingo game.
- (8) The value of prizes awarded during the conduct of any remote caller bingo game shall not exceed 40% of the gross receipts for that game. If an authorized organization elects to deduct fees paid for the use and processing of

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credit card sales from the amount of gross revenues for that game awarded for prizes, then the maximum amount of gross revenues that may be awarded for prizes shall not exceed 40% of the gross receipts for that game, less the amount of redirected fees paid for the use and processing of credit card sales.

(9) All prize money exceeding State and federal exemption limits on prize money shall be subject to income tax reporting and withholding requirements under applicable State and federal laws and regulations and those reports and withholding shall be forwarded, within 10 business days after the remote caller bingo game, to the appropriate State or federal agency on behalf of the winner. A report shall accompany the amount withheld identifying the person on whose behalf the money is being sent. Any game interrupted by a transmission failure, electrical outage, or act of God shall be considered void in the location that was affected and the organization's members, affiliates, and the State shall be held harmless. A refund for a canceled game or games shall be provided to the purchasers.

(10) The entire net proceeds, comprised of at least 35% of the gross proceeds, from the remote caller bingo game must be exclusively devoted to the lawful purposes of the organization permitted to conduct that game.