



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB4323

by Rep. Michael J. Zalewski

#### SYNOPSIS AS INTRODUCED:

New Act  
720 ILCS 5/28-1

from Ch. 38, par. 28-1

Creates the Fantasy Contests Act. Establishes certain requirements for policies and procedures for the operation of fantasy contests. Provides that any person, firm, corporation, association, agent, or employee who violates any provision of the Act shall be liable for a civil penalty of not more than \$1,000 for each violation, which may be recovered in a civil action brought by the Attorney General. Amends the Gambling Article of the Criminal Code of 2012. Provides that participants in fantasy contests as defined under the Fantasy Contests Act shall not be convicted of gambling. Effective immediately.

LRB099 15007 AMC 39247 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning fantasy contests.

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

4 Section 1. Short title. This Act may be cited as the  
5 Fantasy Contests Act.

6 Section 5. Definitions. As used in this Act:

7 "Confidential information" means information related to  
8 the play of a fantasy contest by fantasy contest players  
9 obtained as a result of or by virtue of a person's employment.

10 "Fantasy contest" means any fantasy or simulated game or  
11 contest in which:

12 (1) winning participants are eligible to receive cash  
13 or anything else of value;

14 (2) the value of all prizes and awards offered to  
15 winning participants are established and made known to the  
16 participants in advance of the contest;

17 (3) all winning outcomes reflect the relative  
18 knowledge and skill of the participants and shall be  
19 determined predominantly by accumulated statistical  
20 results of the performance of individuals, including  
21 athletes in the case of sports events; and

22 (4) no winning outcome is based on the score, point  
23 spread, or any performance or performances of any single

1 actual team or combination of such teams or solely on any  
2 single performance of an individual athlete or player in  
3 any single actual event.

4 "Fantasy contest operator" means a person or entity that  
5 offers a fantasy contest for a cash or cash equivalent prize to  
6 members of the public.

7 "Fantasy contest player" means a person who participates in  
8 a fantasy contest offered by a fantasy contest operator.

9 Section 10. Policies and procedures. A fantasy contest  
10 operator offering fantasy contests in this State shall  
11 implement policies and procedures that are intended to:

12 (1) prevent employees of the fantasy contest operator  
13 from competing in any fantasy contest offered by a fantasy  
14 contest operator;

15 (2) prevent sharing of confidential information that  
16 could affect fantasy contest play with third parties until  
17 the information is made publicly available;

18 (3) have a mechanism in place that is designed to  
19 verify that a fantasy contest player is 18 years of age or  
20 older;

21 (4) ensure that individuals who participate in a game  
22 or contest that is the subject of a fantasy contest are  
23 restricted from entering a fantasy contest that is  
24 determined, in whole or in part, on the accumulated  
25 statistical results of a team of individuals in the game or

1 contest in which they are a player;

2 (5) allow individuals to restrict themselves from  
3 entering a fantasy contest upon request and take reasonable  
4 steps to prevent those individuals from entering the  
5 operator's fantasy contests;

6 (6) post the number of entries a single fantasy contest  
7 player may submit to each fantasy contest and take  
8 reasonable steps to prevent players from submitting more  
9 than the allowable number;

10 (7) check for tax liens and child support obligations  
11 of greater than \$10,000 prior to paying a cash prize to a  
12 fantasy contest player of greater than \$5,000;

13 (8) segregate player funds from operational funds and  
14 maintain a reserve in the form of cash, cash equivalents,  
15 an irrevocable letter of credit, or a bond, or a  
16 combination of any of these types, in the amount of the  
17 deposits in player accounts for the benefit and protection  
18 of authorized fantasy contest players' funds held in  
19 fantasy contest accounts;

20 (9) annually contract with a third party to perform an  
21 independent audit, consistent with the standards  
22 established by the Public Company Accounting Oversight  
23 Board, to ensure compliance with all of the requirements in  
24 this Act; and

25 (10) submit the results of the independent audit to the  
26 Office of the Attorney General.

1           Section 15. Penalties. Any person, firm, corporation,  
2 association, agent, or employee who violates any provision of  
3 this Act shall be liable for a civil penalty of not more than  
4 \$1,000 for each such violation, which shall accrue to the State  
5 and may be recovered in a civil action brought by the Attorney  
6 General.

7           Section 90. The Criminal Code of 2012 is amended by  
8 changing Section 28-1 as follows:

9           (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

10           (Text of Section before amendment by P.A. 99-149)

11           Sec. 28-1. Gambling.

12           (a) A person commits gambling when he or she:

13                 (1) knowingly plays a game of chance or skill for money  
14 or other thing of value, unless excepted in subsection (b)  
15 of this Section;

16                 (2) knowingly makes a wager upon the result of any  
17 game, contest, or any political nomination, appointment or  
18 election;

19                 (3) knowingly operates, keeps, owns, uses, purchases,  
20 exhibits, rents, sells, bargains for the sale or lease of,  
21 manufactures or distributes any gambling device;

22                 (4) contracts to have or give himself or herself or  
23 another the option to buy or sell, or contracts to buy or

1 sell, at a future time, any grain or other commodity  
2 whatsoever, or any stock or security of any company, where  
3 it is at the time of making such contract intended by both  
4 parties thereto that the contract to buy or sell, or the  
5 option, whenever exercised, or the contract resulting  
6 therefrom, shall be settled, not by the receipt or delivery  
7 of such property, but by the payment only of differences in  
8 prices thereof; however, the issuance, purchase, sale,  
9 exercise, endorsement or guarantee, by or through a person  
10 registered with the Secretary of State pursuant to Section  
11 8 of the Illinois Securities Law of 1953, or by or through  
12 a person exempt from such registration under said Section  
13 8, of a put, call, or other option to buy or sell  
14 securities which have been registered with the Secretary of  
15 State or which are exempt from such registration under  
16 Section 3 of the Illinois Securities Law of 1953 is not  
17 gambling within the meaning of this paragraph (4);

18 (5) knowingly owns or possesses any book, instrument or  
19 apparatus by means of which bets or wagers have been, or  
20 are, recorded or registered, or knowingly possesses any  
21 money which he has received in the course of a bet or  
22 wager;

23 (6) knowingly sells pools upon the result of any game  
24 or contest of skill or chance, political nomination,  
25 appointment or election;

26 (7) knowingly sets up or promotes any lottery or sells,

1 offers to sell or transfers any ticket or share for any  
2 lottery;

3 (8) knowingly sets up or promotes any policy game or  
4 sells, offers to sell or knowingly possesses or transfers  
5 any policy ticket, slip, record, document or other similar  
6 device;

7 (9) knowingly drafts, prints or publishes any lottery  
8 ticket or share, or any policy ticket, slip, record,  
9 document or similar device, except for such activity  
10 related to lotteries, bingo games and raffles authorized by  
11 and conducted in accordance with the laws of Illinois or  
12 any other state or foreign government;

13 (10) knowingly advertises any lottery or policy game,  
14 except for such activity related to lotteries, bingo games  
15 and raffles authorized by and conducted in accordance with  
16 the laws of Illinois or any other state;

17 (11) knowingly transmits information as to wagers,  
18 betting odds, or changes in betting odds by telephone,  
19 telegraph, radio, semaphore or similar means; or knowingly  
20 installs or maintains equipment for the transmission or  
21 receipt of such information; except that nothing in this  
22 subdivision (11) prohibits transmission or receipt of such  
23 information for use in news reporting of sporting events or  
24 contests; or

25 (12) knowingly establishes, maintains, or operates an  
26 Internet site that permits a person to play a game of

1 chance or skill for money or other thing of value by means  
2 of the Internet or to make a wager upon the result of any  
3 game, contest, political nomination, appointment, or  
4 election by means of the Internet. This item (12) does not  
5 apply to activities referenced in items (6) and (6.1) of  
6 subsection (b) of this Section.

7 (b) Participants in any of the following activities shall  
8 not be convicted of gambling:

9 (1) Agreements to compensate for loss caused by the  
10 happening of chance including without limitation contracts  
11 of indemnity or guaranty and life or health or accident  
12 insurance.

13 (2) Offers of prizes, award or compensation to the  
14 actual contestants in any bona fide contest for the  
15 determination of skill, speed, strength or endurance or to  
16 the owners of animals or vehicles entered in such contest.

17 (3) Pari-mutuel betting as authorized by the law of  
18 this State.

19 (4) Manufacture of gambling devices, including the  
20 acquisition of essential parts therefor and the assembly  
21 thereof, for transportation in interstate or foreign  
22 commerce to any place outside this State when such  
23 transportation is not prohibited by any applicable Federal  
24 law; or the manufacture, distribution, or possession of  
25 video gaming terminals, as defined in the Video Gaming Act,  
26 by manufacturers, distributors, and terminal operators



1 licensed to do so under the Video Gaming Act.

2 (5) The game commonly known as "bingo", when conducted  
3 in accordance with the Bingo License and Tax Act.

4 (6) Lotteries when conducted by the State of Illinois  
5 in accordance with the Illinois Lottery Law. This exemption  
6 includes any activity conducted by the Department of  
7 Revenue to sell lottery tickets pursuant to the provisions  
8 of the Illinois Lottery Law and its rules.

9 (6.1) The purchase of lottery tickets through the  
10 Internet for a lottery conducted by the State of Illinois  
11 under the program established in Section 7.12 of the  
12 Illinois Lottery Law.

13 (7) Possession of an antique slot machine that is  
14 neither used nor intended to be used in the operation or  
15 promotion of any unlawful gambling activity or enterprise.  
16 For the purpose of this subparagraph (b) (7), an antique  
17 slot machine is one manufactured 25 years ago or earlier.

18 (8) Raffles and poker runs when conducted in accordance  
19 with the Raffles and Poker Runs Act.

20 (9) Charitable games when conducted in accordance with  
21 the Charitable Games Act.

22 (10) Pull tabs and jar games when conducted under the  
23 Illinois Pull Tabs and Jar Games Act.

24 (11) Gambling games conducted on riverboats when  
25 authorized by the Riverboat Gambling Act.

26 (12) Video gaming terminal games at a licensed

1 establishment, licensed truck stop establishment, licensed  
2 fraternal establishment, or licensed veterans  
3 establishment when conducted in accordance with the Video  
4 Gaming Act.

5 (13) Games of skill or chance where money or other  
6 things of value can be won but no payment or purchase is  
7 required to participate.

8 (15) Fantasy contests as defined under the Fantasy  
9 Contests Act.

10 (c) Sentence.

11 Gambling is a Class A misdemeanor. A second or subsequent  
12 conviction under subsections (a) (3) through (a) (12), is a Class  
13 4 felony.

14 (d) Circumstantial evidence.

15 In prosecutions under this Section circumstantial evidence  
16 shall have the same validity and weight as in any criminal  
17 prosecution.

18 (Source: P.A. 97-1108, eff. 1-1-13; 98-644, eff. 6-10-14.)

19 (Text of Section after amendment by P.A. 99-149)

20 Sec. 28-1. Gambling.

21 (a) A person commits gambling when he or she:

22 (1) knowingly plays a game of chance or skill for money  
23 or other thing of value, unless excepted in subsection (b)  
24 of this Section;

25 (2) knowingly makes a wager upon the result of any

1 game, contest, or any political nomination, appointment or  
2 election;

3 (3) knowingly operates, keeps, owns, uses, purchases,  
4 exhibits, rents, sells, bargains for the sale or lease of,  
5 manufactures or distributes any gambling device;

6 (4) contracts to have or give himself or herself or  
7 another the option to buy or sell, or contracts to buy or  
8 sell, at a future time, any grain or other commodity  
9 whatsoever, or any stock or security of any company, where  
10 it is at the time of making such contract intended by both  
11 parties thereto that the contract to buy or sell, or the  
12 option, whenever exercised, or the contract resulting  
13 therefrom, shall be settled, not by the receipt or delivery  
14 of such property, but by the payment only of differences in  
15 prices thereof; however, the issuance, purchase, sale,  
16 exercise, endorsement or guarantee, by or through a person  
17 registered with the Secretary of State pursuant to Section  
18 8 of the Illinois Securities Law of 1953, or by or through  
19 a person exempt from such registration under said Section  
20 8, of a put, call, or other option to buy or sell  
21 securities which have been registered with the Secretary of  
22 State or which are exempt from such registration under  
23 Section 3 of the Illinois Securities Law of 1953 is not  
24 gambling within the meaning of this paragraph (4);

25 (5) knowingly owns or possesses any book, instrument or  
26 apparatus by means of which bets or wagers have been, or

1 are, recorded or registered, or knowingly possesses any  
2 money which he has received in the course of a bet or  
3 wager;

4 (6) knowingly sells pools upon the result of any game  
5 or contest of skill or chance, political nomination,  
6 appointment or election;

7 (7) knowingly sets up or promotes any lottery or sells,  
8 offers to sell or transfers any ticket or share for any  
9 lottery;

10 (8) knowingly sets up or promotes any policy game or  
11 sells, offers to sell or knowingly possesses or transfers  
12 any policy ticket, slip, record, document or other similar  
13 device;

14 (9) knowingly drafts, prints or publishes any lottery  
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16 document or similar device, except for such activity  
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26 telegraph, radio, semaphore or similar means; or knowingly

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2 receipt of such information; except that nothing in this  
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4 information for use in news reporting of sporting events or  
5 contests; or

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9 of the Internet or to make a wager upon the result of any  
10 game, contest, political nomination, appointment, or  
11 election by means of the Internet. This item (12) does not  
12 apply to activities referenced in items (6) and (6.1) of  
13 subsection (b) of this Section.

14 (b) Participants in any of the following activities shall  
15 not be convicted of gambling:

16 (1) Agreements to compensate for loss caused by the  
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21 actual contestants in any bona fide contest for the  
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23 the owners of animals or vehicles entered in such contest.

24 (3) Pari-mutuel betting as authorized by the law of  
25 this State.

26 (4) Manufacture of gambling devices, including the

1 acquisition of essential parts therefor and the assembly  
2 thereof, for transportation in interstate or foreign  
3 commerce to any place outside this State when such  
4 transportation is not prohibited by any applicable Federal  
5 law; or the manufacture, distribution, or possession of  
6 video gaming terminals, as defined in the Video Gaming Act,  
7 by manufacturers, distributors, and terminal operators  
8 licensed to do so under the Video Gaming Act.

9 (5) The game commonly known as "bingo", when conducted  
10 in accordance with the Bingo License and Tax Act.

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12 in accordance with the Illinois Lottery Law. This exemption  
13 includes any activity conducted by the Department of  
14 Revenue to sell lottery tickets pursuant to the provisions  
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4 Illinois Pull Tabs and Jar Games Act.

5           (11) Gambling games conducted on riverboats when  
6 authorized by the Riverboat Gambling Act.

7           (12) Video gaming terminal games at a licensed  
8 establishment, licensed truck stop establishment, licensed  
9 fraternal establishment, or licensed veterans  
10 establishment when conducted in accordance with the Video  
11 Gaming Act.

12           (13) Games of skill or chance where money or other  
13 things of value can be won but no payment or purchase is  
14 required to participate.

15           (14) Savings promotion raffles authorized under  
16 Section 5g of the Illinois Banking Act, Section 7008 of the  
17 Savings Bank Act, Section 42.7 of the Illinois Credit Union  
18 Act, Section 5136B of the National Bank Act (12 U.S.C.  
19 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.  
20 1463).

21           (15) Fantasy contests as defined under the Fantasy  
22 Contests Act.

23           (c) Sentence.

24           Gambling is a Class A misdemeanor. A second or subsequent  
25 conviction under subsections (a)(3) through (a)(12), is a Class  
26 4 felony.

1 (d) Circumstantial evidence.

2 In prosecutions under this Section circumstantial evidence  
3 shall have the same validity and weight as in any criminal  
4 prosecution.

5 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

6 Section 95. No acceleration or delay. Where this Act makes  
7 changes in a statute that is represented in this Act by text  
8 that is not yet or no longer in effect (for example, a Section  
9 represented by multiple versions), the use of that text does  
10 not accelerate or delay the taking effect of (i) the changes  
11 made by this Act or (ii) provisions derived from any other  
12 Public Act.

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