

1 **Sec 25-221 Definitions**

2 The following words, terms and phrases, when used in this article, shall have the  
3 meanings ascribed to them in this section, except where the context clearly indicates a  
4 different meaning:

5 *Business* means a voluntary organization composed of individuals and businesses who  
6 have joined together to advance the commercial, financial, industrial and civic interests  
7 of a community.

8 *Charitable* means an organization or institution organized and operated to benefit an  
9 indefinite number of the public. The service rendered to those eligible for benefits must  
10 also confer some benefit on the public.

11 *Educational* means an organization or institution organized and operated to provide  
12 systematic instruction in useful branches of learning by methods common to schools  
13 and institutions of learning which compare favorably in their scope and intensity with the  
14 course of study presented in tax-supported schools.

15 *Fraternal* means an organization of persons having a common interest, the primary  
16 interest of which is to both promote the welfare of its members and to provide  
17 assistance to the general public in such a way as to lessen the burdens of government  
18 by caring for those that otherwise would be cared for by the government.

19 *Labor* means an organization composed of workers organized with the objective of  
20 betterment of the conditions of those engaged in such pursuit and the development of a  
21 higher degree of efficiency in their respective occupations.

22 *Net proceeds* means the gross receipts from the conduct of raffles, less reasonable sums  
23 expended for prizes, local license fees and other reasonable operating expenses incurred  
24 as a result of operating a raffle.

25 *Non-profit* means an organization or institution organized and conducted on a not-for-  
26 profit basis with no personal profit inuring to any one as a result of the operation.

27 *Poker Run* means a prize-awarding event organized by an organization licensed under  
28 this Section in which participants travel to multiple predetermined locations, including a  
29 key location, to play a randomized game based on an element of chance. Poker run  
30 includes dice runs, marble runs, or other events where the objective is to build the best  
31 hand or highest score by obtaining an item or playing a randomized game at each  
32 location. Due to the potential multi-jurisdictional issues involved in Poker Runs, Poker  
33 Runs are licensed by the County in which the key location is located as defined by 3.1  
34 of the Act.

1 *Progressive raffle* means a type of raffle where the prize increases as raffle drawings  
2 progress through a pre-determined set of actions which are known to the persons  
3 purchasing this type of raffle ticket in advance.

4 ~~*Raffle licensing agent* means the city clerk.~~

5 *Religious* means any church, congregation, society, or organization founded for the  
6 purpose of religious worship.

7 *State law* or the Act means and refers to the "Raffles and Poker Runs Act." 230 ILCS 15/  
8 et. seq. ~~an Act of the General Assembly of the State of Illinois, entitled "An Act to provide~~  
9 ~~for licensing and regulating certain games of chance and amending certain Acts herein~~  
10 ~~named," approved August 5, 1980, as amended [Ill. Rev. Stat. Ch. 85, ¶ 2301 et seq.].~~

11 *Veteran's* means an organization or association comprised of members of which  
12 substantially all are individuals who are veterans or spouses, widows, or widowers of  
13 veterans, the primary purpose of which is to promote the welfare of its members and to  
14 provide assistance to the general public in such a way as to confer a public benefit.

15 Unless the context otherwise requires, all words and phrases used in this article shall  
16 have the same meaning as the same or similar words or phrases defined and used in the  
17 state law or this code.

18 (Code 1969, § 32-61; Ord. No. O14-044, § 1, 7-22-14)

**Sec 25-222 Raffle License Required**

- (a) No person shall ~~It shall be a violation of this article to~~ operate a raffle without first having obtained a license as herein set forth.
- (b) A license to operate a raffle shall be issued only:
- (1) To bona fide religious, charitable, labor, business, fraternal, educational, ~~or~~ veterans', or other bona fide not-for-profit organizations, as defined from time to time in the Internal Revenue Code, that operate without profit to their members, and which have been in existence continuously for a period of five (5) years immediately before making application for a license and which have had during that entire five-year period a bona fide membership engaged in carrying out their objects.
  - (2) To a non-profit fundraising organization that the city clerk determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as the result of an illness, disability, accident, or disaster.
  - (3) To any law enforcement agencies and associations that represent law enforcement officials.
  - (4) To any fire protection agencies and associations that represent fire protection officials.
  - (5) To any other person specifically authorized to receive a license to conduct a raffle under state law.
- (c) No license to operate a raffle shall be issued to:
- (1) Any person who has been convicted of a felony, subject to the limitations set forth in Section 3.1 of the Act.
  - (2) Any person who is or has been a professional gambler or gambling promoter.
  - (3) Any person who is not of good moral character.
  - (4) Any firm, organization, or corporation in which a person defined in paragraphs (c)(1), (2) or (3) has a proprietary, beneficial, equitable or credit interest, or in which such a person is active or employed.
  - (5) Any organization in which such a person defined in paragraphs (c)(1), (2) or (3) is an officer, director, board members, or employee, whether compensated or not.
  - (6) Any organization in which a person defined in paragraphs (c)(1), (2) or (3) is to participate in the management or operation of a raffle as defined by state law; or
  - (7) Any person or organization prohibited to operate a raffle by state law.

(Code 1969, § 32-62; Ord. No. O14-044, § 1, 7-22-14)

## **Sec 25-223 License Application**

- (a) *Required information.* Application forms shall be furnished by the ~~city clerk raffle licensing agent~~ and filed with same. The application shall include ~~show~~ the following:
- (1) The name and address of the applicant;
  - (2) The dates, times and locations at which winning chances will be determined;
  - (3) The place and date of chartering or incorporation of the applicant, if applicable, and the applicant's IRS letter of determination that the applicant is a religious, charitable, labor, business, fraternal, educational, ~~or~~ veteran's' or other bona fide not-for-profit organizations;
  - (4) The name, address, telephone number, social security number and date of birth of the presiding officer, secretary and raffle manager of the applicant;
  - (5) The area or areas in which raffle tickets will be sold;
  - (6) A list of prizes and the retail of each prize to be awarded in a single raffle, or the total maximum value of a progressive raffle;
  - (7) The price to be charged for each ticket sold.
- (b) *Sworn statement.* The license application shall contain a sworn statement attesting to the accuracy of the information provided and to the not-for-profit character of the prospective licensee. The statement shall be signed by the presiding officer, secretary and raffle manager of that prospective licensee.
- (c) *Validity for one (1) raffle only.* An application for a license under this article is valid for one (1) raffle.
- (d) *Exemptions.* This section shall not apply to any organization which has been lawfully issued a license to conduct a raffle or a poker run by a licensing authority authorized to issue such license by state law. ~~When application not required. Any raffle in which the aggregate value of the prizes is less than five hundred dollars (\$500.00) shall be considered automatically licensed without the necessity of an application. Raffles with an aggregate value of less than five hundred dollars (\$500.00) may be held by any organization without having to follow the requirements of this article.~~
- (e) *Applicant Convictions.* The city clerk shall not require applicants to report the information set forth in Sec. 3.1(a) of the Act and shall not consider the criminal history records there in set forth in connection with an application for licensure.
- (1) The city clerk, upon a finding that an applicant for a license was previously convicted of a felony shall consider any evidence of rehabilitation and mitigating factors contained in the applicant's record, including factors contained in Sec. 3.1(b) of the Act. Upon consideration of evidence of rehabilitation and mitigating factors provided by the applicant, and if all other requirements for a raffle license have been satisfied, the city clerk shall issue a license to an applicant that the city clerk has determined to be sufficiently rehabilitated to warrant the public trust.
  - (2) If the city clerk refuses to issue a license to an applicant, the applicant shall be notified of the denial in writing with the following included in the notice of denial:

- 1 1. A statement about the decision to refuse to issue a license;
- 2 2. A list of the convictions that the city clerk determined will impair the
- 3 applicant's ability to engage in the position for which a license is
- 4 sought;
- 5 3. A list of convictions that formed the sole or partial basis for the refusal
- 6 to issue a license; and
- 7 4. The applicant's right to appeal the denial per Sec 3-107 of the code
- 8 of ordinances.
- 9 (3) By May 1 of each year, the city clerk shall prepare the report of summary
- 10 statistical information as identified in Sec. 3.1(d) of the Act.

11 (Code 1969, § 32-63; Ord. No. O14-044, § 1, 7-22-14)

**Sec 25-224 Regulations Governing Licensees**

(a) *Conduct of raffles.* The conducting of raffles licensed under this article is subject to the following restrictions:

- (1) The entire net proceeds of any raffle must be exclusively devoted to the lawful purposes of the licensee permitted to conduct that game.
- (2) No person except a bona fide member of the licensee organization may participate in the management or operation of the raffle.
- (3) No person may receive any remuneration or profit from the proceeds of any raffle for participating in the management or operation of the raffle. Sponsoring organizations may contract with third parties who, acting at the direction of and under the supervision of the sponsoring organization, provide bona fide services to the sponsoring organization in connection with the operation of a raffle and may pay reasonable compensation for such services. Such services include the following: (a) advertising, marketing and promotion, (b) legal, (c) procurement of goods, prizes, wares and merchandise for the purpose of operating the raffle, (d) rent, if the premises upon which the raffle will be held is rented, (e) accounting, auditing and bookkeeping, (f) website hosting, (g) mailing and delivery, (h) banking and payment processing, and (i) other services relating to the operation of the raffle.
- (4) Raffle chances may be sold or issued throughout the State of Illinois, including beyond the borders of the city or county. ~~only within the area or areas specified on the license.~~
- (5) Winning chances must be determined only at the time, date and location specified on the license.
- ~~(6)~~ A licensee may rent a premises on which to determine the winning chance or chances in a raffle provided that the rent is not determined as a percentage of receipts or profits from the raffle. ~~only from an organization which is also licensed under this article.~~
- (7) A person under the age of 18 years may participate in the conducting of raffles only with the permission of a parent or guardian. A person under the age of 18 years may be within the area where winning chances in a raffle are being determined only when accompanied by his parent or guardian. ~~Any person selling raffle chances must carry a copy of the license issued for the raffle.~~

(b) Prize Raffle limits.

- (1) The aggregate retail value of all prizes or merchandise awarded by a licensee in a single calendar year shall not exceed one hundred thousand dollars (\$100,000.00).
- (2) The maximum retail value of each prize awarded by a licensee in a single progressive raffle shall not exceed of fifty thousand dollars (\$50,000.00).
- (3) Reserved.
- (4) The maximum price which may be charged for each raffle chance issued or sold shall not exceed one hundred dollars (\$100.00).

(5) The maximum number of calendar days during which chances may be issued or sold shall not exceed one hundred eighty (180).

(6) The license shall not be valid for more than three hundred sixty-five (365) days.

(c) *Raffle manager; bond.*

(1) All operation and conduct of raffles shall be under the supervision of a single raffle manager as designated on the license application.

(2) A manager shall give a fidelity bond in the sum of the aggregate retail value of the prizes as set out on the application. The bond shall be in favor of the organization conditioned upon the raffle manager's honesty in the performance of his duties. The bond shall provide that notice shall be given in writing to the licensing authority not less than thirty (30) days prior to its cancellation period. If the retail value of the prizes exceeds fifteen thousand dollars (\$15,000.00), the bond shall be a corporate surety.

(3) A bond shall not be required from the manager of a raffle when the aggregate value of the prizes is less than five hundred dollars (\$500.00) and if the applicant organization consents to the waiver upon the affirmative vote of the requisite number of members of the organization or, if the licensed organization does not have members, of members of the governing board of the organization, to constitute an affirmative action thereof.

~~Cross reference — Alternatives to bond, § 2-318.~~

(d) *Records.*

(1) Gross receipts from the operation of raffle programs shall be segregated from other revenues of the licensee (including bingo gross receipts, if bingo games are also conducted by the same licensee pursuant to license issued by the state department of revenue), and placed in a separate account. Each organization shall have separate records of its raffles. The person who accounts for gross receipts and expenses from the operation of raffles shall not be the same person who accounts for other revenues of the organization.

(2) Each licensee shall keep records of gross receipts, expenses and net proceeds for each single raffle at which winning chances are determined. All reasonable operating expenses deducted from gross receipts for each single raffle shall be documented with receipts or other records indicating the amount, a description of the purchased item or service or other reason for the deduction, and the recipient. The distribution of net proceeds shall be itemized as to payee, purpose, amount and date of payment.

(3) Each licensee, within thirty (30) days of the raffle, shall report to its membership and to the city clerk ~~raffle licensing agent~~ each of the following:

1. Gross receipts generated by the conducting of the raffle;
2. An itemized list of all reasonable operating expenses which have been deducted from the gross receipts;
3. Net proceeds from the conducting of the raffle;
4. An itemized list of the distribution of the net proceeds;



1 5. A list of prize winners.

2 (4) Records required by this section shall be preserved for three (3) years, and  
3 the organization shall make available for public inspection their records  
4 relating to the operation of a raffle licensed under this article at reasonable  
5 times and places.

6 (e) *Construction of article.* Nothing in this article shall be construed to authorize the  
7 conducting or operating of any gambling scheme, enterprise, activity or device  
8 other than raffles as provided by state law.

9 (Code 1969, § 32-64; Ord. No. O99-18, § 1, 2-23-99; Ord. No. O14-044, § 1, 7-22-14)

10  
11 **Sec 25-225 Fees**

12 Fees. The city council shall from time to time by resolution adopt a schedule of fees  
13 required to conduct a raffle. ~~The fee for a license to operate a raffle shall be as follows:~~

<del>Aggregate prize value</del>	<del>Fee</del>
<del>Less than \$500.00</del>	<del>None</del>
<del>\$501.00 to \$5,000.00</del>	<del>\$5.00</del>
<del>\$5,001.00 and over</del>	<del>\$25.00</del>

14 (Code 1969, § 32-65)



**Sec 25-226 Administration**

- (a) ~~The city clerk shall administer the provisions of this article. raffle licensing agent shall be charged with the administration of this article.~~ The city clerk may adopt supplemental rules not inconsistent with this article to carry its provisions into execution. Such rules may include, but are not limited to, provisions implementing a fully electronic application and licensing program.
- (b) The authority and jurisdiction of the city to issue a license to a prospective licensee shall extend only to that area which is within the corporate limits of the city.
- (c) The ~~city clerk raffle licensing agent~~ shall act upon a license application within thirty (30) ~~ten (10) days~~ from the date of the application.
- (d) The ~~mayor and the~~ city through the city clerk may enter into any written contract with any county and any appropriate municipalities which have adopted a raffle ordinance consistent with this article to jointly establish a system for the licensing of organizations to operate raffles within the unincorporated area of such county or counties and within the corporate limits of any such municipalities as are parties of such contract. Each such contract shall be consistent with the limitations of this article except that a license issued by one (1) government unit shall be valid throughout the jurisdiction of all parties to the contract.

(Code 1969, § 32-66)

**Sec 25-227 Enforcement**

- (a) *Penalties.* Failure to comply with any of the requirements of this article shall constitute a violation. Whoever violates any of the provisions of this article is guilty of a misdemeanor and upon conviction shall be punished as provided in section 1-10.
- (b) *Administrative Adjudication.* Violations of this chapter may be prosecuted through the administrative adjudication system set forth in chapter 3 of this code. Any individual receiving a citation issued under this chapter may request a hearing before an administrative hearing officer in accordance with the terms and process set forth in chapter 3 of this code.
- (c) *Abatement.* The imposition of the penalties prescribed in this section shall not preclude the corporation counsel from instituting an appropriate action to prevent unlawful raffles or to restrain, correct or abate a violation of this article or of the conditions of a raffle license issued pursuant to this article.

(Code 1969, § 32-67; Ord. No. O14-044, § 1, 7-22-14)