

CHAPTER 24 - BUSINESS

ORDINANCE TO LICENSE AND REGULATE RAFFLES

WHEREAS, the County Board of McLean County, Illinois, adopted an Ordinance to License and Regulate Raffles, Section 24.61 thru 24.73 inclusive, on July 21, 1981, which has subsequently been amended, and

WHEREAS, 230 ILCS 15/0.01, et seq., "An Act to provide for licensing and regulating certain games of chance and amending certain Acts herein named," has been amended by Public Act 82-0711, and

WHEREAS, the County Board finds it necessary and in the public interest to repeal said Ordinance and to adopt this Ordinance in lieu thereof, now, therefore,

BE IT ORDAINED by the County Board of McLean County, Illinois, now in regular session, that the following Ordinance to License and Regulate Raffles be and hereby is adopted:

24.61 JURISDICTION. This Ordinance shall be effective in all of the areas of McLean County outside the corporate limits of any city, town, or village and also within the corporate limits of any city, town, or village in McLean County where there is, in effect, a written contract between the governing body of said city, town or village and the County Board of McLean County for joining in the licensing of organizations to operate raffles.

24.62 DEFINITIONS. For the purposes of this Ordinance, the terms defined in this section have the meanings given them.

Net Proceeds The gross receipts from the conduct of raffles, less reasonable sums expended for prizes, local license fees and other reasonable operating expenses incurred as a result of operating a raffle.

Raffle A form of lottery, as defined in Section 28-2(b) of the "Criminal Code of 1961" conducted by an organization licensed under the Ordinance, in which:

- (A) The player pays or agrees to pay something of value for a chance, presented and differentiated by a number or by a combination of numbers, or by some other medium, one or more of which chance is to be designated the winning chance;
- (B) The winning chance is to be determined through a drawing or by other method based on an element of chance by an act or set of acts on the part of persons conducting or connected with the lottery, except that the winning chance shall not be determined by the outcome of a publicly exhibited sporting contest.

Non-Profit An organization or institution organized and conducted on a not-for-profit basis with no personal profit insuring to anyone as a result of the operation.

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

Educational An organization or institution organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which compare favorable in the scope and intensity with the course of study presented in tax-supported schools.

Religious Any church, congregation, society, or organization founded for the purpose of religious worship.

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

Veterans An organization or association comprised of members of which substantially all are individuals who are veterans or spouses, widows or widowers of veterans, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit.

Labor An organization composed of workers organized with the objectives of betterment of the conditions of those engaged in such, pursuant to the development of a higher degree of efficiency in their respective occupations.

Business A voluntary organization composed of individuals and businesses who have joined together to advance the commercial, financial, industrial, and civic interests of a community. **(Added 10/18/94)**

Hardship A non-profit fundraising organization that has not been in existence continuously for a period of five (5) years immediately before making application for a license that the County determines to be 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. **(Added 10/18/94)**

24.63 RAFFLE LICENSING COMMISSIONER AND RAFFLE LICENSING COMMISSION

24.63-1 The Chairman of the McLean County Board shall be the Raffle Licensing Commissioner and shall head the Raffle Licensing Commission appointed in accordance with the terms of this Ordinance.

24.63-2 The Raffle Licensing Commission shall consist of the members of the Finance Committee of the McLean County Board. **(Amended 10/16/84; 10/18/94; 7/26/05)**

24.64 APPLICATION AND LICENSING

24.64-1 It shall be unlawful to sell or offer for sale, in the territory of McLean County under the jurisdiction of this ordinance, any raffle chance without first obtaining a license to operate a raffle or in violation of the terms of said license.

24.64-2 Application for said license shall be made in writing by the applicant and filed with the McLean County Board Office. Such application shall be accompanied by the appropriate filing fee, if any, as required herein. Such fee shall be cash, check, or money order. The County Board Office shall refer the application as required herein and shall remit the fee to the McLean County Treasurer if the license is issued.

24.64-3 The Raffle Licensing Commissioner, or his/her designee shall review all applications for Class A and Class B licenses and shall, if such application is in compliance with the provisions of this Ordinance, issue said license. Class A and B applications shall be acted upon within 30 days from the date of filing such application. **(Amended 10/18/94)**

24.64-4 The Raffle Licensing Commission shall review all applications for Class C licenses, and, if such application is in compliance with the provisions of this Ordinance, shall issue said license. The Commission shall act upon a license application within 30 days from the date of application. **(Amended 10/18/94; 12/20/94)**

24.64-4.1 The Raffle Licensing Commission shall review all applications for Class D licenses and shall, if such application is in compliance with the provisions of this Ordinance, recommend to the County Board that the license be issued. The Commission shall review applications for Class D licenses within 30 days from the date of application. **(Added 12/20/94)**

24.64-4.2 The McLean County Board shall review all applications for Class D licenses after said applications have first been reviewed and recommended by the Raffle Licensing Commission. If such application is in compliance with the provisions of this Ordinance, the Board shall issue said license within 60 days from the date of application. **(Added 12/20/94)**

24.64-5 Licenses shall be issued only to bonafide religious, charitable, labor, fraternal, educational, business or veterans organizations that operate without profit to the members and which have been in existence continuously for a period of five years immediately before making application for a license and which have had during that entire five years a bonafide membership engaged in carrying out their objects, or to a non-profit fundraising organization that the County determines to be 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. **(Amended 10/18/94)**

24.64-6 Licenses issued are subject to the following restrictions:

- (A) No person, firm or corporation shall conduct raffles or chances without first obtaining a license therefore pursuant to this Ordinance;
- (B) The license and application for license must specify the area or areas within the jurisdiction of this Ordinance in which raffle chances will be sold or issued, the time period during which raffle chances will be sold or issued, the time determination of winning chances and the location or locations at which winning chances will be determined;
- (C) A license application must contain a sworn statement attesting to the not-for-profit character of the prospective licensee organization, signed by the presiding officer and the secretary of the organization;
- (D) Licenses issued pursuant to this Ordinance shall be valid for one (1) raffle; or a specified number of raffles to be conducted during a specified period of time not to exceed one (1) year; **(Amended 10/18/94)**
- (E) The maximum number of days during which raffle chances may be issued or sold for any one (1) raffle shall be one year. **(Amended 10/15/91)**

24.64-7 The following are ineligible for any license under this Ordinance:

- (A) Any person who has been convicted of a felony;
- (B) Any person who is or has been a professional gambler or gambling promoter;
- (C) Any person who is not of good moral character;
- (D) Any firm or corporation in which a person defined in (A), (B), or (C) has a proprietary, equitable or credit interest, or in which such a person is active or employed;

- (E) Any organization in which a person defined in (A), (B), or (C) is an officer, director, or employee, whether compensated or not;
- (F) Any organization in which a person defined in (A), (B), or (C) is to participate in the management or operation of a raffle as defined in this Ordinance.

24.65 CLASSIFICATION OF LICENSES AND FEES

24.65-1 A **Class A** license shall authorize the operation of a raffle where the aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle does not exceed \$1,000.00, where the maximum retail value of each prize awarded by a licensee in a single raffle does not exceed \$1,000.00 and where the maximum price charged for each raffle chance issued or sold does not exceed \$5.00.

24.65-2 A **Class B** license shall authorize the operation of a raffle where either the prize values or the price per chance exceeds the maximums set forth for a Class A license, and where the aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle does not exceed \$20,000.00, where the maximum retail value of each prize awarded by a licensee in a single raffle does not exceed \$20,000.00 and where the maximum price which may be charged for each raffle chance issued or sold does not exceed \$100.00.

24.65-3 A **Class C** license shall authorize the operation of a raffle where either the prize values or the price per chance exceeds the maximums set forth for a Class B license, and where the aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle does not exceed \$200,000.00, where the maximum retail value of each prize awarded by a licensee in a single raffle does not exceed \$200,000.00 and where the maximum price which may be charged for each raffle chance issued or sold does not exceed \$300.00. **(Added 10/18/94; 2/16/99)**

24.65-4 A **Class D** license shall authorize the operation of a raffle where (1) the aggregate value of the prizes awarded does not exceed \$300,000.00, (2) a fee simple interest in real estate is offered as a first prize or a cash prize in an amount equal to at least 50% of the value of the fee simple interest in real estate is offered as an alternative first prize, (3) the maximum price charged for each chance issued or sold does not exceed \$300.00, and (4) the maximum number of chances issued or sold does not exceed 3,000. A Class D license may be issued only upon the submission of an application as provided in Section 24.64 and, in addition thereto, submission of the following.

- (A) A copy of a ruling or determination letter issued to, or for the benefit of, the applicant by the U.S. Internal Revenue Service providing that the applicant meets the requirements of 101 (6) of the Internal Revenue Code of 1939, or of Section 501 (c) (3) of the Internal Revenue Code of 1954, as amended; and

- (B) A narrative statement describing the purpose of the proposed raffle and, in figures and numbers, the estimated gross proceeds of the sale of raffle chances, the administrative cost of the raffle, and the intended use of the net proceeds derived from the proposed raffle; and
- (C) A written agreement signed by an authorized officer of the applicant holding the County of McLean, its Board members, officers, employees and attorneys harmless from any claim or cause of action (whether State or Federal) for injury or damages arising out of, or in any way related to, the subject raffle or to any property (real and/or personal) conveyed by the applicant pursuant to the subject raffle; and
- (D) An Affidavit signed by the owner of said real estate which verifies that on the date of application the fair market value of said real estate to be raffled does not exceed \$300,000.00 and that the applicant has full authority to make said real estate the subject of their raffle. The Affidavit shall also be notarized. **(Added 12/20/94)**

24.65-5 **Filing fees for Class A** licenses shall be: **Free** if the aggregate retail value of all prizes or merchandise to be awarded **does not exceed \$100.00. (Amended 4/18/89)** **\$10.00** if the aggregate retail value of all prizes or merchandise to be awarded is **\$101.00 but does not exceed \$1,000.00 (Amended 4/18/89; 10/18/94; Re-numbered 12/20/94)**

24.65-6 **Filing fees for Class B** licenses shall be **\$25.00** if the aggregate retail value of all prizes or merchandise to be awarded is **\$1,001.00 but does not exceed \$20,000.00. (Amended 4/18/89; Re-numbered 12/20/94)**

24.65-7 **Filing fees for Class C** licenses shall be **\$50.00** if the aggregate retail value of all prizes or merchandise to be awarded is **\$20,001.00** but does not exceed **\$50,000.00; \$100.00** if the aggregate retail value of all prizes or merchandise to be awarded is **\$50,001.00** but does not exceed **\$100,000.00; \$150.00** if the aggregate retail value of all prizes or merchandise to be awarded is **\$100,001.00** but does not exceed **\$150,000.00; \$200.00** if the aggregate retail value of all prizes or merchandise to be awarded is **\$150,001.00** but does not exceed **\$200,000.00. (Added 10/18/94; Re-numbered 12/20/94; 2/16/99)**

24.65-8 **The filing fees for Class D** licenses shall be **\$500.00. (Added 12/20/94)**

24.65-9 No raffle shall be conducted and no license for such raffle shall be issued within the territory under the jurisdiction of this Ordinance where the prize values or the price per chance exceeds the maximums set herein for a Class D license. **(Added 12/20/94)**

24.65-10 All fees shall be payable at the time the application is filed, and in the event that the application for a license is denied, the fee shall be returned to the applicant by

the County Board Office. **(Amended 10/18/94; Re-numbered 12/20/94) Checks or Money Orders are to be made out to the McLean County Treasurer.**

24.66 CONDUCT OF RAFFLES

24.66-1 The conducting of raffles is subject to the following restrictions:

- (A) The entire net proceeds of any raffle must be exclusively devoted to the lawful purposes of the organization permitted to conduct that game;
- (B) No person except a bonafide member of the sponsoring organization may participate in the management or operation of the raffle;
- (C) No person may receive any remuneration or profit for participating in the management or operation of the raffle;
- (D) A licensee may rent a premises on which to determine the winning chances in a raffle only from an organization which is also licensed under this Ordinance;
- (E) Raffle chances may be sold or issued only within the area specified on the license, and winning chances may be determined only at those locations specified on the license;
- (F) No person under the age of 18 years may participate in the conducting of raffles or chances. A person under the age of 18 years may be within the area where winning chances are being determined only when accompanied by a parent or guardian.

24.67 RAFFLE MANAGER-BOND

24.67-1

- (A) All operation of and the conduct of raffles shall be under the supervision of a single raffle manager designated by the licensed organization. **(Amended 10/18/94)**
- (B) In the case of Class A and B raffles, the manager shall provide a **Fidelity Bond** in a sum equal to the aggregate retail value of all prizes or merchandise to be awarded in the raffle, with two (2) sureties thereon who are residents of the State of Illinois, and who are acceptable to the issuing authority, or with a solvent surety company licensed to do business in the State of Illinois, in favor of the sponsoring licensee, conditioned upon his honesty and performance of his duties. Terms of the bond shall provide that notice shall be given in writing to the Commission not less than thirty (30) days prior to its cancellation. The issuing authority shall

consider the bond and shall have the right to disapprove the bond. **(Amended 10/18/94)**

- (C) In the case of Class C and D raffles, the manager shall give a **Fidelity Bond** in a sum equal to the aggregate retail value of all prizes and merchandise to be awarded in the raffle with a solvent surety bond company licensed to do business in the State of Illinois, in favor of the sponsoring licensee, conditioned upon his honesty and performance of his duties. Terms of the bond shall provide that notice be given in writing to the Commission not less than thirty (30) days prior to its cancellation. The issuing authority shall consider the bond and shall have the right to disapprove the bond. **(Added 10/18/94; Amended 12/20/94)**
- (D) Fidelity bonds shall be conditioned upon the faithful observance by the licensee of this Ordinance upon the provisions of all laws of the State of Illinois and the United States of America applying to raffles. **(Added 10/18/94)**

24.67-2 The issuing authority may, in its discretion, waive this bond requirement for Class A raffles only subject to the following conditions: **(Amended 10/18/94)**

- (A) Upon the unanimous vote to the members of the licensed organization that said requirements maybe waived;
- (B) A written waiver is filed with the application for the licensee;
- (C) The license application must contain a sworn statement attesting to the unanimous vote of the members of the licensed organization, signed by the presiding officer and the secretary of said organization.

A license issued to the organization shall include a provision that the fidelity bond has been waived. **(Amended 10/18/94)**

24.68 RECORDS

24.68-1 Each organization licensed to conduct raffles and chances shall keep records of its gross receipts, expenses and net proceeds for each single gathering or occasion at which winning games are determined. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, 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.

24.68-2 Gross receipts from the operation of raffle programs shall be segregated from other revenues of the organization, including bingo gross receipts, if bingo games are also conducted by the same non-profit organization, pursuant to license therefor issued

by the Department of Revenue of the State of Illinois, and placed in a separate account. Each organization shall have separate records of its raffles. The person who accounts for gross receipts, expenses and net proceeds from the operation of raffles shall not be the same person who accounts for other revenues of the organization.

24.68-3 Each organization licensed to conduct raffles shall report promptly after the conclusion of each raffle to its membership, and proceeds from raffles, and the distribution of net proceeds itemized as required in this section.

24.68-4 Records required by this Article shall be preserved for three (3) years and the organization shall make available their records relating to operations of raffles for public inspection at reasonable times and places. **(Amended 10/18/94)**

24.69 ISSUANCE, SUSPENSION AND REVOCATION OF LICENSES

24.69-1 The Raffle Licensing Commission, by a majority vote at a convened meeting, may issue, revoke or suspend any license in accordance with the provisions of this Ordinance or on the basis or provisions of any State of Illinois law pertaining to raffles.

24.69-2 In case of a tie vote of the members of the Commission at a convened meeting, the Raffle Licensing Commissioner shall vote to break the tie.

24.69-3 Licenses issued pursuant to this Ordinance may be suspended or revoked for any violation of this Ordinance.

24.69-4 When any licensee shall have its license revoked for any cause, no license shall be granted to said licensee for a period of one (1) year thereafter.

24.70 PENALTIES. Any person or organization violating any provision of this Ordinance shall be guilty of a **Class C Misdemeanor**, and a separate offense shall be deemed committed each day during or on which the violation occurs or continues. **(Amended 10/18/94)**

24.71 LIMITED CONSTRUCTION. Nothing in this Ordinance shall be constructed to authorize the conducting or operating of any gambling scheme, enterprise, activity or device other than raffles as provided for herein.

24.72 SEVERABILITY. The Articles, provisions, and sections of this Ordinance shall be deemed to be separable and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

24.73 CONTINUATION OF PRIOR ORDINANCE. The provisions of this Ordinance, insofar as they are the same or substantially the same as those of the Ordinance to License and Regulate Raffles adopted August 18, 1981, as amended, shall be construed as a continuation of such prior Ordinance and not as a new enactment.

24.74 REPEAL. The Ordinance to License and Regulate Raffles adopted by the McLean County Board on July 21, 1981, as amended, is hereby repealed.

24.75 EFFECTIVE DATE

This Ordinance shall take effect and be in full force from and after its adoption as provided by law. Adopted this 20th day of April, 1982. **Amended 10-16-84, 4-18-89, 10-15-91, 10-18-94, 12-20-94, 2-16-99, and 7-26-05.**

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