ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING LICENSED RAFFLES

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF FRANKLIN, MORGAN COUNTY, ILLINOIS:

LICENSED RAFFLES

Sec. 1. Definitions.

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

Charitable organization means 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 upon the public.

Club raffle means a licensed raffle, fifty-fifty (50/50) drawing, daily drawing, weekly drawing, or similar drawing conducted by bona fide charitable, educational, fraternal, labor, religious or veterans administration.

Educational organization means 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 favorably in their scope and intensity with the course of study present in tax-supported schools.

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

Individual benefits raffle means a licensed raffle conducted by a not-for-profit fund raising organization that is organized for the sole purpose of providing financial assistance to an unidentified individual or group of individuals suffering extreme financial hardship as the result of an illness, disability, accident or disaster.

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

Licensee means an organization which has been issued a license to operate a raffle.

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

Nonprofit means organized, operated and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of said operation.

Raffle means a form of lottery, as defined in 720 ILCS 5/28-2, conducted by an organization licensed under this article in which:

(1) The player pays or agrees to pay something of value for a chance represented and differentiated by a number or by a combination of numbers or by some other means, one (1) or more of which chances is to be designated the winning chance; and

(2) The winning chance is to be determined through a drawing or by some 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.

The term "raffle" does not include a savings promotion raffle authorized under 205 ILCS 5/5g, 205/7008, 305/42.7, section 5136B of the National Bank Act (12 USC 25a), or section 4 of the Home Owners' Loan Act (12 USC 1463).

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

Veterans' organization means 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.

Sec. 2. License Requirements.

It shall be unlawful to conduct or operate a raffle or to sell, offer for sale, convey, issue, or otherwise transfer for value a chance on a raffle unless done in accordance herewith.

Sec. 3. Application for license; required information.

Any person seeking to conduct or operate a raffle shall file an application therefor with the city clerk on forms provided by the city clerk. Said application shall contain the following information:

(1) The name, address and type of organization.

(2) The length of existence of the organization and, if incorporated, the date and state of incorporation. (Must be in existence continuously for five (5) years prior to application with a bona fide membership carrying out its objects during that period).

(3) The number of members in the organization in good standing.

(4) The name, address, telephone number, and date of birth of the organization's presiding officer, raffle manager, and any other designated members responsible for the conduct and operation of the raffle.

(5) The maximum time period during which raffle chances will be issued or sold.

(6) The area in which raffle chances will be sold or issued (must be within the borders of the city).

(7) The date, time, and location at which winning chances will be determined.

(8) The aggregate retail value of all prizes to be awarded in the raffle.

(9) The maximum retail value of each prize to be awarded in the raffle.

(10) The maximum price charged for each raffle chance issued or sold.

(11) A sworn statement signed by the applicant's presiding officer attesting to the fact that the applicant is a not-for-profit organization and that the information contained in the application is true and correct.

(12) Where the aggregate retail value of all prizes to be awarded exceeds five thousand dollars ($5,000.00), a fidelity bond in an amount equal to the aggregate retail value of all prizes to be awarded shall be submitted with the application by the designated raffle manager in favor of the organization and based upon his honesty in performance of his duties.

Sec. 4. Licensee qualifications.

(a) Raffle licenses shall be issued only to bona fide religious, charitable, labor, business, fraternal, educational or veterans' organizations 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 raffle license and which have had, during that entire five (5) year period, a bona fide membership engaged in carrying out their objects, or to a nonprofit fundraising organization that the licensing authority determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as a result of an illness, disability, accident or disaster, as well as law enforcement agencies and statewide associations that represent law enforcement officials as provided for in 230 ILCS 15/9.

(b) The following are ineligible for any raffle license:

1. Any person who has been convicted of a felony.

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 organization in which a person defined in subsections (b)(1), (2), or (3) of this section has a proprietary, equitable or credit interest, or in which such person is active or employed;

5. Any organization in which a person defined in subsections (b)(1), (2), or (3) of this section is an officers, director, or employee, whether compensated or not; and

6. Any organization in which a person defined in subsections (b)(1), (2), or (3) of this section is to participate in the management or operation of a raffle as defined herein.

Sec. 5. Issuance of license.

(a) Receipt, issuance; validity. The city clerk shall receive all raffle license applications and shall act upon all applications for licenses for club raffles, individual benefit raffles and any raffle in which the aggregate retail value of all prizes does not exceed five thousand dollars ($5,000.00), and shall include a list of all applications, and action taken on each application, under the monthly city clerk's report to the city council. The city clerk shall submit all raffle license applications in which the aggregate retail value of prizes exceeds five thousand dollars ($5,000.00) to the city council at the next meeting as an Agenda item; if an application is accepted, the city council shall forthwith authorize the issuance of a raffle license to the applicant within thirty (30) days after the application is submitted.

(b) Information required. A raffle license application shall show the following:

1. The area in which raffle changes may be sold or issued;

2. The period of time during which raffle chances may be sold or issued; and

3. The date, time and location on or at which winning chances will be determined.

(c) Display. Said license shall be prominently displayed at the time and location of the determination of the winning chances.

(d) One (1) license per year. No more than one (1) license shall be issued to each person, as defined herein, per year.

(e) Validity. Licenses shall be valid for a period of one (1) year from and after issuance,

with the exception of individual benefit raffle licenses which shall be valid for a period of thirty (30) days from and after its issuance, unless the city clerk, or the city council if it approved the license, specifically authorizes a license for a longer or shorter period of time, but in no event more than ninety (90) days.

(f) Exemption. Individual benefit raffles, as herein defined, shall be exempt from the requirements of subsection (b) of this section.

Sec. 6. Conduct of raffles.

The operation and conduct of raffles are subject to the following restrictions:

(1) The entire net proceeds of any raffle must be exclusively devoted to the lawful purpose of the licensee.

(2) No person except a bona fide member of the licensee may participate in the management or operation of the raffle.

(3) No person may receive remuneration or profit for participating in the management or operation of the raffle.

(4) Raffle changes may be sold, offered for sale, conveyed, issued or otherwise transferred for value only within the area specified on the license; and the winning chances may be determined only at the location specified on the license.

(5) Each raffle chance shall have printed thereon;

a. The cost of said chance;

b. The aggregate retail value of all prizes to be awarded in said raffle, if known; and

c. The maximum number, if any, of raffle chances to be issued.

However, when raffle chances are sold, conveyed, issued, or otherwise transferred only at the time and location at which winning chances will be determined and only to persons then in attendance, the face of the raffle chance need not contain such information. Each chance shall indicate whether the holder must be present to win.

(7) No person under the age of eighteen (18) years may participate in the operation or conduct of raffles without the permission of such person's parent or guardian. A person under the age of eighteen (18) years may be within the area where winning chances are being determined only when accompanied by his parent or guardian.

(8) No chance shall be sold, offered for sale, conveyed, issued or otherwise transferred

for value to or by any person under the age of eighteen (18) years without the permission of a parent or guardian of said person. Notwithstanding the foregoing, any person may make a gift of a chance to any person of any age.

(9) It shall be unlawful for a sponsoring organization to fail to provide a prize to the appropriate winner unless the winner cannot be located after a reasonable time.

(10) It shall be unlawful for a raffle or determining event to be determined other than by chance.

Sec. 7. Raffles manager.

The operation and conduct of a raffle shall be under the supervision of a single raffle manager designated by the licensee. The manager shall give a fidelity bond equal in amount to the aggregate retail value of all prizes to be awarded in favor of the licensee conditioned upon his honesty in the performance of his duties. The terms of the bond shall provide that notice shall be given, in writing, to the city not less than thirty (30) days prior to its cancellation. The city council may waive this bond requirement by including a waiver provision in the license issued to an organization under this article, provided that a license containing such waiver provision shall be granted only by unanimous vote of the members of the licensed organization.

Sec. 8. Records.

(a) Each licensee shall keep records of its gross receipts, expenses, and net proceeds for each single gathering or occasion at which winning chances are determined. All deductions from gross receipts for each single gathering or occasion shall be documented with the 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 the payee, purpose, amount and date of payment.

(b) Gross receipts from the operation of raffles shall be segregated from other revenues of the licensee including bingo gross receipts, if bingo games are also conducted by the same not-for-profit organization pursuant to a license therefor issued by the department of revenue of the state, and placed in a separate account. Each licensee shall keep 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 licensee.

(c) Each licensee shall report to its membership and to the city its gross receipts, expenses and net proceeds from the raffle, and the distribution of net proceeds itemized as required herein. If a license is valid for more than thirty (30) days, the report shall be made monthly.

(d) Raffle records shall be preserved for three (3) years, and organizations shall make available their records relating to the operation of raffles for public inspection at reasonable times and places.

Sec. 9. Fees.

The license fees set forth below shall be paid to the city clerk when an application for raffle license is filed. Said fee is nonrefundable.

(1) A fee in the amount established by the city shall be charges for raffle licenses for individual benefit raffles.

(2) An annual fee in the amount established by the city shall be charged for raffle licenses for club raffles if the applicant plans to conduct three (3) or less drawings per year. If the applicant plans to conduct more than three (3) drawings per year, the annual fee shall be in the amount established by the city.

(3) A fee in the amount established by the city shall be charges for all other raffles where the aggregate retail value of all prizes to be awarded is five thousand dollars ($5,000.00) or less.

(4) A fee in the amount established by the city shall be charged for all other raffles where the aggregate retail value of all prizes to be awarded exceeds five thousand dollars ($5,000.00), but does not exceed fifty thousand dollars ($50,000.00).

(5) A fee in the amount established by the city shall be charged for all raffles where the aggregate retail value of all prizes to be awarded is fifty thousand dollars ($50,000).00 or more.

Sec. 10. Violations.

Each member of the sponsoring organization shall be jointly and severally liable with the organization and with each other for any violation. The imposition of the penalties shall not preclude the institution or 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 thereto.

Sec. 11. This Ordinance shall be in full force and effect from and after its passage, approval, and publication.

Passed and approved by the Board of Trustees of the Village of Franklin, Morgan County, Illinois, this _____ day of _____, 2021.

(SEAL)

_____
Village Clerk

Approved by the President of the Village of Franklin this _____ day of _____, 2021.

_____

President