

Chapter 36

RAFFLES

3-36-1: DEFINITIONS:

For the purposes of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

APPLICANT: Any organization which applies for a license to conduct a raffle under this chapter.

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.

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 in general.

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 favorably in their scope and intensity with course of study presented in tax supported schools.

FRATERNAL: 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 of caring for those who otherwise would be cared for by the government.

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

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.

NONPROFIT: An organization or institution organized and conducted on a not for profit basis with no personal profit inuring to anyone as a result of the operation.

RAFFLE: A form of lottery, as defined in 720 Illinois Compiled Statutes 5/28-2, conducted by an organization licensed under this chapter in which:

(A) 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 medium, one or more of which chances are to be designated the winning chance;

(B) A 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.

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

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. (Ord. 5217, 12-15-2003)

3-36-2: LICENSE:

(A) Raffles Conducted In Village: Raffles conducted within the village are restricted as follows:

1. No person or entity shall conduct a raffle without having first obtained a license therefor pursuant to this chapter.
2. The application for a license must specify and the applicant shall state: the area or areas within the licensing authority in which raffle chances will be sold or issued, the time period during which raffle chances will be sold or issued, and the time of determination of winning chances and the location or locations at which winning chances will be determined.
3. The license application shall contain a sworn statement attesting to the not for profit character of the applicant, signed by an authorized officer.
4. The application for license shall be prepared in accordance with the form provided by the village manager.
5. The issuance of a license authorizes the applicant to conduct a raffle as specified in the license and to be conducted in accordance with this chapter.

(B) Qualification Of Licensee:

1. Eligible Organizations: Licenses shall be issued only to bona fide religious, charitable, labor, business, fraternal, education, or veterans' organizations that operate without profit to their members. All applicants must have been in existence

continuously for a period of five (5) years immediately before making the application and during the entire five (5) year period had a bona fide membership engaged in carrying out its objectives. In the case of a nonprofit fundraising organization, the licensing authority determines it 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, occurrence, or disaster.

2. Ineligibility: Any organization is ineligible for a license under this chapter if the organization has an officer, administrator, or person designated as responsible for conducting the raffle who:

(a) Has been convicted of a felony;

(b) Is or has been a professional gambler or gambling promoter;

(c) Is a person not of good moral character; or

(d) Is a person who has a proprietary, equitable, financial, or credit interest in the organization or the operation of the raffle.

(C) Classification Of Raffles And Fees:

1. No license shall be granted to an applicant unless the designated fees are paid at the time the license application is submitted to the village. License fees once paid are not refundable.

2. Raffle licenses shall be designated as class A and class B.

(a) A class A raffle is conducted on a single identifiable date. If the aggregate retail value of all prizes to be awarded in the raffle is less than fifty thousand dollars (\$50,000.00), the fee shall be fifty dollars (\$50.00). If the aggregate retail value of all prizes awarded in conjunction with the raffle is fifty thousand dollars (\$50,000.00) or above, the fee shall be one hundred dollars (\$100.00).

(b) A class B raffle grants to the licensee the right to conduct a series of solicitations and drawings over a stated period of time in which chances are sold and prizes awarded at each drawing. The fee for a class B license shall be one hundred dollars (\$100.00).

(D) Prohibitions: A licensee shall not be permitted to conduct a raffle, and no license shall be awarded in the following circumstances:

1. In which the aggregate retail value of all prizes to be awarded, whether cash or merchandise, is anticipated to exceed one hundred thousand dollars (\$100,000.00);
2. In which the maximum retail value of any prize to be awarded to a single winner exceeds one hundred thousand dollars (\$100,000.00);
3. In which the maximum price charged for a raffle ticket or chance exceeds one thousand dollars (\$1,000.00); or
4. In which the number of days during which raffle chances or tickets are solicited for sale and/or sold is greater than one hundred eighty (180) days. (Ord. 5217, 12-15-2003)

3-36-3: CONDUCT AND ADMINISTRATION:

(A) Operation Restrictions:

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 purpose of the organization permitted to conduct that game.
 - (b) No person except a bona fide 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 premises on which to determine the winning chance or chances in a raffle only from an organization that is also licensed under this chapter.
 - (e) Raffle chances may be sold or issued only within the area specified on the license, and winning chances may be determined only at the locations specified on the license.
 - (f) No person under the age of eighteen (18) years may participate in the conducting of raffles or chances. 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.
2. If a lessor rents premises where a winning chance or chances on a raffle are determined, the lessor shall not be criminally liable if the person who uses the premises for the determining of winning chances does not hold a license issued by the governing body of any county or municipality under the provisions of this chapter. (Ord. 5217, 12-15-2003)

(B) Raffle Manager, Bond: All operation and conduct of raffles shall be under the supervision of a single raffle manager designated by the organization. The raffle manager shall give a fidelity bond in the sum of five thousand dollars (\$5,000.00) in favor of the organization, conditioned upon his honesty in the performance of his duties. Terms of 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. The village manager may waive this bond requirement by including a waiver provision in the license indicating such waiver shall be granted only by unanimous vote of the members of the licensed organization. (Ord. 5217, 12-15-2003; amd. Ord. 5233, 2-23-2004)

(C) Records To Be Kept:

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 chances are determined. All deductions from gross receipts for each single gathering or occasion 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.

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 also are conducted by the same nonprofit organization, pursuant to license therefor 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, expenses, and net proceeds from the operation of raffles shall not be the same person who accounts for other revenues of the organization.

3. Each organization licensed to conduct raffles shall report promptly after the conclusion of each raffle to its membership and to the licensing local unit of government its gross receipts, expenses, and net proceeds from raffles and the distribution of net proceeds itemized as required in this section.

4. Records required by this section shall be preserved for three (3) years in the office of the village clerk, and organizations shall make available their records relating to operation of raffles for public inspection at reasonable times and places.

(D) Gambling Prohibited: Nothing in this chapter shall be construed to authorize the conducting or operating of any gambling scheme, enterprise, activity, or device other than raffles as provided for in this chapter.

(E) Penalty:

1. Any person, firm or corporation violating any provision of this chapter shall be fined not less than two hundred fifty dollars (\$250.00) or more than one thousand dollars (\$1,000.00) for each offense, and a separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

2. Violation of any provision of this chapter is a class C misdemeanor. (Ord. 5217, 12-15-2003)