

# ARTICLE C. RAFFLES

## 3-4C-1: DEFINITIONS:

Unless the context otherwise requires, all words and phrases used herein shall have the same meanings as the same or similar words or phrases defined and used in the State law<sup>1</sup>. When used in this Article, the following words and terms shall have the meanings ascribed to them as follows:

**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 LICENSING AGENT FOR THE CITY:** The City Clerk.

**STATE LAW:** Whenever reference herein is made to "State law", it shall mean and refer to an act of the General Assembly of the State of Illinois, entitled "An Act to Provide for Licensing and Regulating Certain Games of Chance and Amending Certain Acts Herein Named", approved August 5, 1981, as amended<sup>1</sup>. (Ord. 1986-3, 3-13-86, eff. 3-27-86)

## 3-4C-2: QUALIFICATIONS OF LICENSE APPLICANTS:

A license to operate a raffle shall be issued only to bona fide religious, charitable, labor, 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 license and which have had during that entire five (5) year period a bona fide membership engaged in carrying out their objects. No license shall be issued to:

- 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 subsections A, B or C above has a proprietary, equitable or credit interest, or in which such a person is active or employed;
- E. Any organization in which such a person defined in subsections A, B or C above is an officer, director or employee, whether compensated or not;

F. Any organization in which a person defined in subsections A, B or C above is to participate in the management or operation of a raffle as defined by State law. (Ord. 1986-3, 3-13-86, eff. 3-27-86)

### **3-4C-3: APPLICATION FOR LICENSE:**

- A. Application forms shall be furnished by the raffle licensing agent and filed with same. Said application shall show the following:
1. The name and address of the applicant;
  2. The date, time and location at which winning chances will be determined;
  3. Place and date of chartering or incorporation of applicant, if applicable;
  4. Name, address, telephone number, social security number and date of birth of presiding officer, secretary and raffle manager of applicant;
  5. The area or areas in which raffle tickets will be sold;
  6. A list of prizes and the retail price of each prize to be awarded in a single raffle; and
  7. The price to be charged for each ticket sold.
- B. 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. Said statement shall be signed by the presiding officer, secretary and raffle manager of that prospective licensee. An application for a license under this Article is valid for one raffle only and the license shall not be valid for more than one hundred twenty (120) days.
- C. Any raffle in which the aggregate value of the prizes is less than five hundred dollars (\$500.00) shall be considered automatically licensed without necessity of an application.
- D. The raffle licensing agent shall act upon a license application within ten (10) days from the date of the application. (Ord. 1986-3, 3-13-86, eff. 3-27-86)

### **3-4C-4: LICENSE FEES:**

License fees shall be as follows:

<b>Aggregate Prize Value</b>	<b>Fee</b>
Less than \$500.00	None
\$501.00 and over	\$10.00

(Ord. 1986-3, 3-13-86, eff. 3-27-86)

### **3-4C-5: OPERATION AND CONDUCT OF RAFFLES:**

A. Conduct of Raffles: The conducting of raffles 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 for participating in the management or operation of the raffle.
4. Raffle chances may be sold or issued only within the area or areas specified on the license or in other jurisdictions which have approved a similar raffle ordinance.
5. Winning chances must be determined only at the time, date and location specified on the license.
6. Any person selling raffle chances must carry a copy of the license issued for the raffle.

B. Raffle Manager: All operation and conduct of raffles shall be under the supervision of a single raffle manager as designated on the license application. 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. Said 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 exceed fifteen thousand dollars (\$15,000.00), such bond shall be a corporate surety.

C. Raffle Limits:

1. The aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle shall not exceed fifty thousand dollars (\$50,000.00).
2. The maximum retail value of each prize awarded by a licensee in a single raffle shall not

exceed fifty thousand dollars (\$50,000.00).

3. The maximum price which may be charged for each raffle chance issued or sold shall not exceed one hundred dollars (\$100.00).
4. The maximum number of days during which prior sales of raffle tickets may be issued or sold shall not exceed one hundred twenty (120). (Ord. 1986-3, 3-13-1986, eff. 3-27-1986; amd. 1994 Code)

### **3-4C-6: RECORDS, REVENUE AND REPORTS:**

#### **A. Records Kept And Preserved:**

1. 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 purchase 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. Records required by this section shall be preserved for three (3) years, and the organization shall make available for public inspection its records relating to the operation of a raffle at reasonable times and places.

**B. Separation Of Funds:** 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 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 and expenses from the operation of raffles shall not be the same person who accounts for other revenues of the organization.

**C. Report Required:** Within thirty (30) days of the raffle, each licensee shall report to its membership and to the 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; and
5. A list of prize winners. (Ord. 1986-3, 3-13-1986, eff. 3-27-1986)

### **3-4C-7: GAMBLING PROHIBITED:**

Nothing in this article shall be construed to authorize the conducting or operating of any gambling scheme, enterprise, activity or device other than raffles as provided by state law. (Ord. 1986-3, 3-13-1986, eff. 3-27-1986)

### **3-4C-8: ADMINISTRATION OF PROVISIONS:**

- A. Administrative Authority: The raffle licensing agent shall be charged with the administration of this article.
  
- B. Administrative Jurisdiction: The authority and jurisdiction of the city to issue a license to a prospective licensee shall extend only throughout the corporate boundaries of the city.
  
- C. Contract For Joint Licensing: The mayor and the city council may enter into a written contract with one or more municipalities or the county of Kendall which have adopted a raffle ordinance consistent with this article to jointly establish a system for the licensing of organizations to operate raffles. Such contract shall be consistent with the limitations of this article except that a license issued by one governmental unit shall be valid throughout the jurisdiction of all parties to the contract. (Ord. 1986-3, 3-13-1986, eff. 3-27-1986)

### **3-4C-9: VIOLATIONS AND PENALTIES:**

- A. (Rep. by Ord. 2008-74, 8-26-2008)
  
- B. The imposition of the penalties herein prescribed shall not preclude the state's attorney from instituting 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 hereto. (Ord. 1986-3, 3-13-1986, eff. 3-27-1986; amd. 1994 Code)

**Footnotes** - Click any footnote link to go back to its reference.

[Footnote 1](#): S.H.A. 230 ILCS 15/1 et seq.