

CHAPTER 6. RAFFLES

2-6-1. DEFINITIONS.

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

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.

Calendar raffle. A raffle for which one set of tickets is sold and where drawings are held and prizes awarded on individual pre-determined dates specified in part of a calendar year and may include a consecutive portion of but shall not exceed 12 consecutive months.

Charitable Organization. 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 Organization. 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 presented in tax supported schools.

Fraternal Organization. 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.

Labor Organization. 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.

Licensee. An organization which has been issued a license to operate a raffle pursuant to this chapter.

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 said operation.

Person. An individual, firm, organization, public or private corporation, government, limited liability company, partnership, or unincorporated association.

Raffle. A form of lottery, as defined in 720 Illinois Compiled Statutes 5/28-2(b), 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 is to be designated as the winning chance; and
- B. 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.

Raffle administrator(s). The Village Clerk or any deputy clerk appointed; and in the event of a conflict of interest of either of the before mentioned, the Village President. In the event of a conflict of interest with both of the aforementioned, any two member(s) of the administrative and legislative committee shall provide the required signatures.

Raffle event. An event at which at least one raffle is conducted by an organization that holds a raffle license issued under this Code.

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

Veterans' Organization. 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. 2010-787, 5-10-2010; Ord. No. 2019-06, § 1, 2-20-2019)

2-6-2. LICENSE REQUIRED.

- A. It shall be unlawful for any person, firm or corporation 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 conducted pursuant to a license duly issued by the village and in accordance with the provisions of this chapter.
- B. Such license, when issued, is effective for all areas within the corporate limits of the village.

(Ord. 2010-787, 5-10-2010)

2-6-3. APPLICATION.

Any person, firm or corporation seeking to conduct or operate a raffle shall file an application therefor with the village clerk on forms provided by the Village Clerk. No application shall be filed more than 30 days nor less than seven days prior to the Raffle Event. Any not-for-profit seeking a waiver of fees as set forth in Section 2-6-6 shall be a registered 501(c) organization with the Internal Revenue Service. Such application shall contain the following information:

- A. The name, address, and type of organization;
- B. The length of existence of the organization and, if incorporated, the date and state of incorporation;
- C. The name, address, telephone number, and date of birth of the organization's presiding officer, secretary, raffles manager, and any other members responsible for the conduct and operation of the raffle;
- D. The aggregate retail value of all prizes to be awarded in the raffle;
- E. The maximum retail value of each prize to be awarded in the raffle;
- F. The maximum price charged for each raffle chance issued or sold;
- G. The maximum number of raffle chances to be issued;
- H. The area in which raffle chances will be sold or issued;
- I. The time period during which raffle chances will be issued or sold;
- J. The date, time, and location at which winning chances will be determined;

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- K. A sworn statement attesting to the not for profit character of the applicant organization, signed by its presiding officer and secretary;
 - L. A certificate signed by the presiding officer of the applicant organization attesting to the fact that the information contained in the application is true and correct; and
 - M. A fidelity bond in an amount equal to the aggregate retail value of all prizes to be awarded shall accompany such application.

(Ord. 2010-787, 5-10-2010; Ord. No. 2019-06, § 1, 2-20-2019)

2-6-4. LICENSEE QUALIFICATIONS.

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 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 objectives, 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 the result of an illness, disability, accident, or disaster. The following are ineligible for any raffle license:

- 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 subsection A, B, or C of this section has a proprietary, equitable, or credit interest, or in which such person is active or employed;
- E. Any organization in which a person defined in subsection A, B, or C of this section is an officer, director, or employee, whether compensated or not; and
- F. Any organization in which a person defined in subsection A, B, or C of this section is to participate in the management or operation of a "raffle" as defined in this chapter.

(Ord. 2010-787, 5-10-2010)

2-6-5. ISSUANCE.

- A. The Village Clerk shall receive all license applications. Provided that an applicant has submitted any and all information required by the application, paid any and all necessary fees and otherwise meets with all the requirements and provisions of this Chapter 6, the Village Clerk shall issue a raffle license to the applicant within 30 days from the date of application. A raffle license shall be valid for a period of 30 days from and after its issuance unless the Village Clerk specifically authorizes a license for a longer or shorter period of time. In no event shall a license be authorized for a period longer than one year. The Village Clerk has the authority to issue the following types of licenses for raffles:

Class A: General raffle license. A general raffle license shall permit an organization the ability to conduct a raffle that may include multiple drawings to award the prizes but all drawings must occur on the same day and at the same location and within the confines of the same raffle event.

Class B: Multiple raffles license. A Class B license allows multiple 50/50 raffles to be conducted within 12 consecutive calendar months. Such license shall permit no more than 52 raffle events.

Class C: One time emergency raffle license. A Class C raffle license allows a not-for-profit fundraising organization or group, organized for the sole purpose of providing financial hardship assistance to an identified individual or group of individuals suffering severe financial hardship as a result of an injury, disability, accident or disaster, to conduct one raffle event for that purpose. All drawings must occur on the same day and at the same location and within the confines of the same raffle event.

Class D: Calendar Raffle. A 12-month raffle license shall permit the conduct of a raffle or raffles as defined above. Class D raffles shall be licensed annually for a period not to exceed 12-month period commencing on the day after the license is approved by the Village Clerk. Such license shall permit no more than 52 raffle events.

Class E: Limited annual raffle license. A limited annual raffle license permits an organization to regularly conduct raffles among its own membership at a regularly scheduled organizational meeting. Chances for these raffles may only be sold, and the drawings held, on the day of the meeting. Such licenses shall permit no more than 52 raffle events per year.

B. A raffle license shall contain the following.

1. The area in which raffle chances will be sold or issued;
2. The period of time during which raffle chances will be sold or issued;
3. The date, time, and location on or at which the winning chances will be determined.

C. Such license shall be prominently displayed at the time and location of the determination of the winning chances.

D. A license shall be valid for one raffle only, unless the Village Clerk specifically authorizes a specified number of raffles to be conducted during a specified period not to exceed one year.

E. A license may be suspended or revoked for any violation of this chapter.

(Ord. 2010-787, 5-10-2010; Amd. Ord. 2013-027, 11-11-2013; Ord. No. 2019-06, § 1, 2-20-2019)

2-6-6. FEES.

The fee for a Class A, B or E license is \$25.00. A not-for-profit may apply for a waiver of Class A license fees once in a Village fiscal year (May 1 through April 30). There is no fee for a Class C license. The fee for a Class D license is \$100.00. When an application for a raffle license is filed, such application fee is nonrefundable even if the application is rejected by the Village Clerk.

(Ord. 2010-787, 5-10-2010; Amd. Ord. 2013-027, 11-11-2013; Ord. No. 2019-06, § 1, 2-20-2019)

2-6-7. CONDUCT OF RAFFLES.

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 licensee.
- B. No person except a bona fide member of the licensee 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 chance or chances in a raffle only from an organization which is also licensed under this chapter.

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- E. Raffle chances may be sold, offered for sale, conveyed, issued, or otherwise transferred for value only within the area specified on the license and winning chances may be determined only at those locations specified on the license.
- F. A person under the age of 18 years may participate in the conducting of raffles or chances 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 are being determined only when accompanied by a parent or guardian.
- G. Anyone seeking a raffle license with a prize amount above \$10,000.00, or if the aggregate of all prizes exceeds \$25,000.00, must appear before the administration committee and provide a surety bond to the village in the amount of the total aggregate retail value of all prizes awarded. For good cause shown, the village board may waive the surety bond requirement for any applicant. The aggregate retail value for all prizes awarded in a single raffle shall not exceed \$150,000.00 and the retail value of any one prize awarded in a single raffle shall not exceed \$150,000.00.
- H. The price which may be charged for each raffle chance sold, offered for sale, conveyed, issued or otherwise transferred for value shall not exceed the following schedule.

Aggregate Retail Value of Prize	Price of Chance
Less than \$100.00	\$ 1.00
\$100.00 or more but less than \$500.00	5.00
\$500.00 or more but less than \$1,000.00	10.00
\$1,000.00 or more but less than \$10,000.00	20.00
\$10,000.00 or more	50.00

- I. Each raffle chance shall have printed thereon the cost of such chance, the aggregate retail value of all prizes to be awarded in such raffle, and the maximum number of raffle chances to be issued. Each chance shall indicate whether the holder must be present to win. 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.

(Ord. 2010-787, 5-10-2010)

2-6-8. RAFFLES MANAGER.

The operation and conduct of a raffle shall be under the supervision of a single raffles 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 village not less than 30 days prior to its cancellation. The village board may waive this bond requirement by including a waiver provision in the license issued to the licensee, provided that the license containing such waiver provision shall be granted only by unanimous vote of the members of the licensee.

(Ord. 2010-787, 5-10-2010)

2-6-9. RECORDS.

- A. Each licensee shall keep records of its gross receipts, expenses, a list of names of prize winners, 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.

- 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 nonprofit organization pursuant to license therefor issued by the department of revenue of the state of Illinois, 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 the other revenues of the licensee.
- C. Each licensee shall report promptly after the conclusion of each raffle to its membership and to the village 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 30 days, the report shall be made monthly.
- D. Raffle records required by this section shall be preserved for three years, and organizations shall make available their records relating to the operation of raffles for public inspection at reasonable times and places.

(Ord. 2010-787, 5-10-2010)

2-6-10. PENALTY.

Failure to comply with any of the requirements of this chapter shall constitute a violation, and any person shall, upon conviction thereof, be fined no less than \$100.00 nor more than \$500.00 for each offense. Each day the violation continues shall be considered a separate offense. 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 herein prescribed shall not preclude the institution of appropriate action to prevent unlawful raffles or to restrain, correct, or abate a violation of this chapter or of the conditions of a raffle license issued pursuant to such license.

(Ord. 2010-787, 5-10-2010; Ord. No. 2019-06, § 1, 2-20-2019)