

ARTICLE IX. - RAFFLES

FOOTNOTE(S):

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**State Law reference**— Raffles, Ill. Rev. Stat., Ch. 85, § 2301 et seq. [\(Back\)](#)

Sec. 4-181. - Definitions.

Unless the context otherwise requires, the following words used in this article shall be construed according with the definitions given below:

*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 that 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 as provided under this article.

*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 any individual as a result of the operation.

*Person:* An individual, firm, organization, public or private corporation, government, partnership or unincorporated association.

*Raffle:* As defined in Ill. Rev. Stat., Chapter 85, section 2301.

*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 public in such a way as to confer a public benefit.

(Code 1970, § 5-15-2)

Sec. 4-182. - Enforcement.

The imposition of penalties for a violation of this article shall not preclude the state's attorney of the county from instituting appropriate action to prevent unlawful raffles or restrain, correct or abate a violation of this article or of the conditions of a raffle license issued pursuant hereto.

(Code 1970, § 5-15-10)

Sec. 4-183. - Purpose.

The purpose of this article is to regulate and control the conduct of raffles within the city.

(Code 1970, § 5-15-1)

Sec. 4-184. - Compliance.

It shall be unlawful for any person 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 with this article.

(Code 1970, § 5-15-3)

Sec. 4-185. - Licensee qualifications.

Raffle licenses shall be issued only to bona fide charitable, educational, fraternal, labor, business, religious 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-year period a bona fide membership engaged in carrying out their objects. 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; and
- (4) Any organization in which a person defined in subsection (1), (2), or (3) has a proprietary, equitable or credit interest, or in which such a person is active or employed, whether compensated or not, or is an officer or director, or in which such a person is to participate in the management or operation of a raffle.

(Code 1970, § 5-15-5)

Sec. 4-186. - License—Application.

Any organization seeking to conduct or operate a raffle shall file an application with the clerk for a license on the forms provided by the 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;
- (3) The name, address, telephone number, social security number and the date of birth of the organization's presiding officer, secretary, raffles manager and other members responsible for the conduct and operation of the raffle;
- (4) The aggregate retail value of all prizes to be awarded in the raffle;
- (5) The maximum retail value of each prize to be awarded in the raffle;
- (6) The maximum price charged for each raffle chance issued or sold;
- (7) The maximum number of raffle chances to be issued;
- (8) The area in which raffle chances will be issued or sold;
- (9) The time period during which raffle chances will be issued or sold;
- (10) The date, time and location at which winning chances will be determined;
- (11) A sworn statement attesting to the not-for-profit character of the applicant organization signed by its presiding officer and secretary; and

- (12) 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.

A fidelity bond in an amount equal to the aggregate retail value of all prizes to be awarded shall accompany said application.

(Code 1970, § 5-15-4)

Sec. 4-187. - Same—Issuance.

- (a) The clerk shall review all raffle license applications and recommend approval or denial, in writing, to the council, within ten (10) days from the date of application. The council shall, within thirty (30) days from the date of application, accept or reject a raffle license application. If an application is accepted, the clerk shall issue a raffle license to be valid for the period of time stated in the application, but in no event longer than one hundred twenty (120) days.
- (b) The raffle license shall limit the area in which raffle chances may be sold or issued to the city limits and shall show the period of time during which raffle chances may be sold or issued. The license shall also show the date, time and location at which the winning chances will be determined.
- (c) The license shall be prominently displayed at the time and location of the determination of the winning chances. A license shall be valid for one (1) raffle only. The fee for each license shall be five dollars (\$5.00).

(Code 1970, § 5-15-6)

Sec. 4-188. - 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 any remuneration or profit for participating in the management or operation of the raffle.
- (4) Raffle chances may be sold, offered for sale, or issued only within the area specified in the license, and the winning chances may be determined only at the location specified on the license. The aggregate retail value of all prizes awarded shall not exceed two thousand five hundred dollars (\$2,500.00), except with specific permission from the council, and the maximum retail value of any one (1) individual prize shall not exceed the value of one thousand dollars (\$1,000.00). The maximum price for each raffle chance shall be five dollars (\$5.00).

(Code 1970, § 5-15-7)

Sec. 4-189. - Manager.

- (a) 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 city not less than thirty (30) days prior to the cancellation of such bond.
- (b) Corporate surety shall be given on such bond unless waived by the city.
- (c) The council may waive the bond by including a waiver provision in the license, provided that a license containing such waiver provision shall be granted only by unanimous vote of the members of the licensed organization.

(Code 1970, § 5-15-8)

Sec. 4-190. - Records.

- (a) 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.
- (b) Gross receipts from the operation of raffles programs shall be segregated from other revenues of the organization, including bingo gross receipts, if bingo games are also conducted by the same nonprofit organization pursuant to the 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.
- (c) Each organization licensed to conduct raffles shall report promptly after the conclusion of each raffle to its membership, and to the city, its gross receipts, expenses and net proceeds from raffles, and the distribution of net proceeds itemized as required in this section.
- (d) Records required by this section shall be preserved for three (3) years, and organizations shall make available their records relating to operation of raffles for public inspection at reasonable times and places.

(Code 1970, § 5-15-9)

Secs. 4-191—4-205. - Reserved.