

**AN ORDINANCE REGULATING THE
OPERATION OF RAFFLES
KNOX COUNTY, ILLINOIS**

WHEREAS, the County of Knox may, pursuant to P.A. 81-1365 (Ill. Rev. Stat., 1980 Supp; Ch. 85, Sec. 2301 et seq.) establish a system for the licensing of organizations to operate raffles.

NOW, THEREFORE, BE IT ORDAINED BY THE County Board of the County of Knox as follows:

I. TITLE. This ordinance shall be known, cited, and referred to as the “Raffle Ordinance of Knox County”.

II. PURPOSE. The purpose of this ordinance is to regulate and control the conduct of raffles within the County of Knox outside the corporate limits of any municipality.

III. CONSTRUCTION. In the construction of this ordinance, the definitions hereunder shall be observed and applied, except when the context clearly indicates otherwise:

A. Words used in the present tense shall include the future; and words used in the singular number shall include the plural number; and the plural number shall include the singular number.

B. The word shall is mandatory and not discretionary.

C. The word may is permissive or discretionary.

D. Words not defined shall be interpreted in accordance with definitions contained in Webster’s New Collegiate Dictionary (1973 ed.)

IV. DEFINITIONS. For the purposes of this ordinance, the words and phrases listed hereunder have the meanings designated herein, except when a particular context clearly requires a different meaning:

A. ANNUAL AGGREGATE RETAIL VALUE OF PRIZES means the total retail value of all prizes to be raffled by any organization, licensed under this ordinance, during any year beginning January 1, and extending through and including December 31 of the same calendar year.

B. Charitable Organization is an organization of institution organized and operated to benefit and indefinite number of the public. The service rendered to those eligible for benefits must also confer some benefit upon the public.

C. County is the County of Knox, Illinois.

D. County Board is the County Board of the County of Knox, Illinois.

E. County Clerk is the County Clerk of the County of Knox, Illinois

F. Educational Organization is 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.

G. Fraternal Organization is an organization of persons having 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.

H. Labor Organization is 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.

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

J. 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.

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

L. Person means an individual, firm, organization, public or private organization, government, partnership, or unincorporated association.

M. Raffle means a form of lottery, as defined in Sec. 28-2(b) of the Criminal Code of 1961, conducted by an organization licensed under this ordinance in which:

1. The player pays or agrees to pay something of value for a chance represented and differentiated by a member or by a combination of members or by some other means, one 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 of the part of persons conducting or connected with the lottery, except that the winning chance shall not be determined by the outcome of publicly exhibited sporting contest.

N. Religious Organization is any church, organization, society, or organization founded for the purpose of religious worship.

O. Veterans Organization is an organization or association comprised of members of whom 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 the general public in such a way as to confer a public benefit.

V. 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 said raffle has been licensed in accordance herewith.

VI. MULTIPLE RAFFLES a person eligible for licensure under this ordinance desiring to hold more than one raffle during a calendar year may apply for an annual license; provided no more than fifty-two such raffles shall be held and no more than one(1) raffle per week shall be conducted or operated. For purposes of this paragraph only, a raffle is considered to be a single location and time if determining a winning chance(s). Multiple prizes and drawings may be held at any one time and location.

VII. APPLICATION. Any person seeking to conduct or operate a raffle shall file an application therefore with the County Clerk on forms provided by the County Clerk. Said applications 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, social security 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 annual aggregate retail value of all prizes to be awarded;
- E. The maximum retail value of each prize to be awarded;
- F. The maximum price charged for each raffle chance issued or sold;
- G. The area or areas in which raffle chances will be sold or issued;
- H. The time period during which raffle chances will be sold or issued;
- I. The time and location at which willing chances will be determined;
- J. A sworn statement attesting to the not-for-profit character of the applicant organization, signed by its presiding officer and secretary;
- K. 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,
- L. A fidelity bond in an amount equal to the annual aggregate retail of all prizes to be awarded shall accompany said application.

VIII. LICENSEE QUALIFICATIONS. Raffle licensees shall be issued only to bona fide charitable, educational, fraternal, labor, religious, and veterans organizations that operate without profit to their members and which have been in existence continuously for a period of five years or more 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:

- A. Any person who has been convicted of a felony;
- B. Any person who is or had been a professional gambler or gambling promoter;
- C. Any person who is not of good moral character;
- D. Any organization in which a person defined in A, B, or C above 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 A, B, or C above is an officer, director, or employee, whether compensated or not; and
- F. Any organization in which a person defined in A, B, or C above is to participate in the management or operation of a raffle as defined herein.

IX. LICENSE ISSUANCE. The County Clerk shall review all raffle license applications within ten days from the date of application and shall, within thirty days from the date of application, approve or deny a raffle license application. If an application is approved, the County Clerk shall forthwith issue a raffle license to the applicant. A raffle license shall be valid from a period of ninety days from and after the issuance in the instance of a single raffle. Raffle issuances issued under the provisions of paragraph VI. Multiple (raffles) shall be valid for the specific periods set forth in the application.

X. CONDUCT OF RAFFLES. The operation and conduct of raffles are subject to

the following restrictions:

- A. The entire net proceeds of any raffle must be exclusively devoted to the lawful purpose 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 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 which is also licensed under this ordinance;
- 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 the winning chances may be determined only at the location specified on the license;
- F. No person under the age of 18 years may participate in the operation or conduct of raffles. A person under the age of 18 years may be within the area where winning chances are being determined only when accompanied by his parent or legal guardian;
- G. No chance shall be sold, offered for sale, conveyed, issued, or otherwise transferred for value to any person under the age of 18 years; however, any person may make a gift of a chance to any person of any age.

XI. RAFFLES MANAGER. The operation and conduct of a raffle shall 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 County not less than 30 days prior to its cancellation.

XII. RECORDS.

- A. Each licensee shall keep record of its gross receipts, expenses, and net proceeds for e 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 items 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 non-profit organization pursuant to license therefore issued by the Department of Revenue of the State of Illinois, and placed in a separate amount. Each licensee shall keep separate records of its raffles. The person who accounts for gross receipts, expenses, and net proceeds form 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 County its gross

receipts, expenses, and net proceeds from the raffle and the distribution of net proceeds itemized as required herein. If a licensee is valid for more than thirty days the report shall be made monthly.

D. Raffle records shall be presented for three years, and organizations shall make available their records relating to the operation of raffles for public inspection at reasonable times and places.

XIII. FEE SCHEDULE. The following fee shall be paid to the County Clerk when an application for a raffle license is filed:

<u>ANNUAL AGGREGATE RETAIL VALUE OF PRIZES</u>	<u>FEE</u>	<u>ADDITIONAL FEE FOR MULTIPLE LICENSES FOR EACH ADDITIONAL</u>
Less than \$100	\$ 0.00	\$0.00
\$100 but less than \$500	15.00	1.25
\$500 but less than \$1,000	20.00	2.00
\$1,000 but less than \$10,000	25.00	3.00
\$10,000 or more	25.00 + .50 per	\$5.00 + \$1.00 per \$1,000 in excess of aggregate retail value

Said application fee are non-refundable even should the application be denied by the County Clerk: provided, however, in no event shall the County Board retain more than \$50.00 if an application is denied.

XIV. PRIZE LIMITATIONS. The annual aggregate retail value of all prizes awarded in a single year shall not exceed \$50,000 and the retail value of any one prize awarded in a single raffle shall not exceed \$50,000.

XV. CHANCE LIMITATIONS. 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:

<u>Aggregate Retail Value of Prizes</u>	<u>Chance Price</u>
Less than \$100	\$ 1.00
\$100 but less than \$500	5.00
\$500 but less than \$1,000	10.00
\$1,000 but less than \$10,000	30.00
\$10,000 or more	100.00
	+ \$10.00 per each \$1,000 In excess of \$10,000

XVI. PENALTIES. Failure to comply with any of the requirements of this ordinance shall constitute a violation; and any person, upon conviction hereof, shall be fined not more than \$500 for each offense. Each day the violation continues shall be considered a separate offense.

XVII. SEVERABILITY CLAUSE. If any provision of this ordinance or the application

thereof is held to be constitutional or otherwise invalid by a court of competent jurisdiction, such ruling shall not affect any other provisions of this ordinance not specifically included in such ruling or which can be given effect without the unconstitutional or invalid provision or application; and to this end, the provisions of this ordinance are declared severable.

XVIII. APPEALS. Any person whose application is denied may appeal the denial to the Knox County Board. Such appeal shall be in writing and must be filed with the County Clerk within ten days of the date of the written notice of denial. The County Board Chairman shall appoint a committee of said Board members to hear the appeal. Said committee chairman shall preside over such appeal and the majority vote of the committee members present shall prevail. Any person Appealing a Denial may be represented by and Attorney, may call witnesses and may cross examine. The decision of the committee may be appealed to the full County Board which shall hear no new evidence but may review the proceedings had before the committee. The majority vote of the County Board members present in favor of issuance or denial shall prevail.

XIX. EFFECTIVE DATE. This ordinance shall be in full force and effect on the 17th day of January, 1982. This ordinance has been revised and will be in full force and effect on December 22, 2004.