

**Illinois Department of Revenue
Regulations**

Title 86 Part 435 Section 435.130 Supplier's Licenses

TITLE 86: REVENUE

**PART 435
CHARITABLE GAMES ACT**

Section 435.130 Supplier's Licenses

- a) Any person, firm, or corporation which sells, leases, lends, distributes, or otherwise provides to any organization licensed to conduct charitable games events in Illinois any charitable games equipment, must obtain a license to do so from the Department except as provided in Section 435.120(b)(4).
- b) Application for a supplier's license must be made on the form provided by the Department, and must be accompanied by a license fee of \$500. Corporate applicants shall submit a copy of their Certificate and Articles of Incorporation. A supplier's license is valid for one year from its date of issuance. If, from the information provided, the Department cannot determine with reasonable certainty that a person whose name appears on the application in a capacity described in Section 435.150(a)(6) or (7) does not have a criminal record which would make the applicant ineligible for the license, the Department will require such person to submit to fingerprinting in order to make a more certain determination as to the lack of a criminal history of such person. Any change in officers, directors, partners, or stockholders or partners owning at least 10% of the shares of a corporate or partnership licensee, must be reported to the Department within 30 days after the change. If ownership of a licensee is changed, a new application must be submitted to the Department (e.g., a corporate licensee is merged into a different corporation).
- 1) Along with the application form the applicant must submit a list of all charitable games equipment offered for sale, lease or distribution to any charitable games licensee, and the sales and/or rental price for all such equipment, including, if applicable, the price of equipment rented as part of a package deal. All charitable games equipment shall be kept segregated and separate from any other products, materials or equipment that the supplier might own, sell or lease (Section 6 of the Act), and the supplier shall inform the Department of the exact location of the storage of all charitable games equipment in the supplier's possession.
 - 2) No supplier shall sell, lease or distribute to any charitable games licensee any item of charitable games equipment not included on the list or any amendments thereto described in subsection (b)(1) above, nor shall any supplier sell, lease or distribute to any charitable games licensee any item of charitable games equipment at a price other than the price on file with the Department. Changes in price must be reported to the Department 30 days prior to such change.

3) No supplier shall sell, lease, lend or distribute any item of charitable games equipment to any organization or entity not holding a license to conduct charitable games. To ensure that the organization to whom equipment is sold, leased, lent, or distributed is licensed for charitable gaming, the supplier shall obtain from the organization and retain among his or her books and records a copy of the organization's license showing the license number, expiration date and the event date for which the equipment was sold, leased, lent, or distributed.

4) Suppliers may deliver equipment to a licensed organization up to one day before the date of the scheduled event, if the contract with the licensed organization specifies an early delivery date. Such delivery is authorized only when the supplier delivers the equipment to a secured location (e.g., a location whose access is restricted to the licensed organization with whom the supplier has contracted).

c) Within 20 days after the end of any calendar quarter during which a supplier's license is in effect, the supplier shall file a return with the Department listing all sales and leases of charitable games equipment for such quarter, the gross proceeds derived from each such sale or lease, and the event dates for which equipment was sold, leased, lent, or distributed.

d) The following general provisions apply to all licensed suppliers:

1) A supplier shall not alter or modify any charitable games equipment, or possess any charitable games equipment so altered or modified, so as to allow the possessor or operator of the equipment to obtain a greater chance of winning a game other than as under normal rules of play of such games (Section 6 of the Act). Any charitable games equipment so altered or modified shall be confiscated by the Department.

2) *A supplier shall permit Department employees to enter the supplier's premises to inspect and test all charitable games equipment (Section 6 of the Act).*

3) *A supplier shall not receive a percentage of the proceeds or admission fees from any charitable games event (Section 6 of the Act).*

4) No employee, owner, partner, officer, or agent of a supplier may recruit or provide volunteers for a licensed organization.

5) *No employee, owner, partner, officer, or agent of a supplier may participate in the management or operation of any charitable games event even if the employee, owner, or officer is also a member, volunteer, or employee of the charitable games licensee (Section 6 of the Act).* The supplier may provide training classes and consulting services prior to the events, and it may have one representative present at the event to ensure its equipment is not damaged.

6) *A supplier shall not have any interest, direct or indirect, in the business of any person, firm, or corporation licensed under the Act to provide*

premises for the conduct of charitable games (Section 6 of the Act).

7) *A supplier may not promote or solicit a charitable games event on behalf of a charitable games licensee or qualified organization* (Section 6 of the Act). For instance, suppliers may not maintain or operate hotlines or newsletters which advertise game dates or locations, nor may they recruit qualified organizations to host events.

8) No corporation, firm, agency, or partnership, in which an owner, officer, partner, agent, or employee of a supplier holds any interest, direct or indirect, shall promote, advertise, announce, or solicit charitable games events on behalf of a charitable games licensee or qualified organization.

e) A supplier shall permanently affix his name to all charitable games equipment, supplies and pull tabs he sells, leases or rents. The name shall be plainly visible to the public while any item of charitable games equipment is being used for the purpose for which it was intended at a charitable games event. The supplier's name shall be affixed to any box or other package containing unopened pull tab or break open tickets, and to any promotional cards, or "flares" (Section 6 of the Act).

f) Suppliers may not enter into agreements not to compete in certain geographic areas with other suppliers.

g) *A supplier shall keep books and records for the furnishing of charitable games equipment separate and distinct from any other business the supplier might operate* (Section 6 of the Act). A supplier shall maintain all such books and records, including the documentation required by subsection (b)(3) above, for a period of at least three years and must allow inspection of the books and records by agents or employees of the Department during reasonable business hours.

(Source: Amended at 21 Ill. Reg. 3978, effective March 14, 1997)