

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Charitable Games Act
- 2) Code Citation: 86 Ill. Adm. Code 435
- 3) Section Number: 435.100 Proposed Action:
Amendment
- 4) Statutory Authority: Section 5.1 of the Bingo License and Tax Act [230 ILCS 25/5.1]; Section 13 of the Charitable Games Act [230 ILCS 30/13]
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking updates the mailing address, email address and phone number for contacting the Office of Bingo and Charitable Games.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Brian Fliflet, Deputy General Counsel
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794

(217) 782-2844

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- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not for profit corporations affected: No effect on small businesses
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Small Business Impact Analysis: None
- 15) Regulatory Agenda on which this rulemaking was summarized: July 2023

The full text of the Proposed Amendment begins on the next page:

Section 435.100 Introduction

This Part implements the Charitable Games Act [230 ILCS 30] (hereafter referred to as "the Act"), which was adopted by the General Assembly to allow not-for-profit charitable, fraternal, labor, educational, veterans, local fraternal mutual benefit and religious organizations to raise funds by conducting casino-type gaming events. Other forms of licensed gaming, such as bingo and raffles, may be played during an event. Licenses for these activities, however, must be obtained. Licenses for bingo must be obtained from the Department, while raffle licenses must be obtained from the county or municipal government responsible for licensing. See the Raffles and Poker Runs Act [230 ILCS 15]. For persons familiar with the rules governing those activities, some of the following charitable games rules are more restrictive than the bingo and raffle rules. The reason is that the charitable games events authorized by the Act are, to a much greater extent than bingo, subject to the abuses often associated with gambling. In turn, these abuses are more likely to occur because the amounts of money involved are potentially much greater, and the bigger the pot, the greater the danger of involvement by criminal elements. In bingo, the statutory prize limit effectively puts a ceiling on the amount of money involved at any single bingo session. At charitable games events, if cash prizes are used, chips, scrip or play money can be cashed in for currency not to exceed \$250 per person. No limit is imposed, however, on the total amount of non-cash prizes. The General Assembly recognized the increased potential for violations at charitable games events, and the Act is consequently more restrictive in

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many ways than the Bingo License and Tax Act [230 ILCS 25]. A few examples: eligibility for charitable games licenses is more limited; the number of events allowed is much smaller; licensees must notify local law enforcement authorities of their charitable games events; the Illinois Department of Revenue (Department) may summarily suspend charitable games licenses before hearings are held; record keeping requirements are more detailed; and the criminal penalties for violation of the Act are much more severe (a second violation of the Act constitutes a felony). In addition, any person who violates any provision of the Act or knowingly violates any rule of the Department for the administration of the Act is, in addition to other penalties, subject to a civil penalty in the amount of \$250 for each separate violation. The rules that follow reflect the statutory mandate. Organizations applying for licenses must understand that their failure to comply fully with this Part and to cooperate with the Department's investigative efforts will inevitably mean that long-planned charitable games events will have to be postponed, or even cancelled. At the same time, it is the Department's policy to do everything possible to assist qualified organizations in obtaining licenses and afford these organizations every opportunity to hold a successful fundraiser. Applicants and licensees may visit the Office of Bingo and Charitable Games at 101 W. Jefferson Street, Springfield, Illinois 62702 or contact us with any questions,
By mail: P.O. Box 19480, Springfield, Illinois 62794-9480
By phone: (217) 558-7425 or (217) 785-3707
By email: rev.bptcg@illinois.gov.

Finally, the Act and this Part are designed to regulate who may be licensed, where and when charitable games events may be played, and what records must be kept of the funds raised. Licensees who suspect that they are being defrauded by players or workers, or that money is being stolen, should immediately contact the Department's Bureau of Criminal Investigations at (800) 243-2811 .

(Source: Amended at 48 Ill. Reg. _____, effective _____)