Chapter 37

GAMES OF CHANCE - RAFFLES

Revised 1-1-01

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37.01 DEFINITIONS.

For the purpose of this Ordinance (Chapter 37), the following definitions apply:

"Net Proceeds" means 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.

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

1. 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 chance(s) is to be designated the winning chance;

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 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.

"Non-profit" means an organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to any one as a result of the operation.

"Charitable" means 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" means 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.

"Religious" means any church, congregation, society or organization founded for the purpose of religious worship.

"Fraternal" means 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.
"Veterans" means 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.

"Labor" means an organization composed of workers organized with the objective of betterment of the conditions of those agreed in such pursuit and the development of a higher degree of efficiency in their respective occupations.

37.02 LICENSING.

a) LOCATION. Licenses shall only be granted for the sale of raffle chances in locations set forth in the application and which are within the borders of the City of DeKalb.

b) AUTHORIZED APPLICANT. Licenses shall be issued only to bona fide religious, charitable, labor fraternal, educational or veteran's 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 (5) year period a bona fide membership engaged in carrying out their objects. The provision requiring five (5) years existence may be waived on request of an applicant, at the discretion of the Mayor or City Manager. (84-19)

c) DURATION. Licenses shall permit the applicant to issue or sell raffle chances only for those dates set forth in the application but in no event to exceed sixty (60) days during which chances may be issued or sold. A waiver of this provision may be permitted at the discretion of the Mayor or City Manager, upon request of an applicant. (84-19)

37.03 APPLICATION REQUIREMENTS.

a) No person, firm or corporation shall conduct raffles or chances without having first obtained a license therefor from the office of the City Clerk.

b) The application for license shall contain the following:

1. The name of the applicant;
2. The area or areas within the licensing authority in which raffle chances will be sold or issued;
3. The time period during which raffle chances will be sold or issued;
4. The time of determination of winning chances;
5. The location or locations at which winning chances will be determined;
6. A sworn statement signed by the presiding officer of the organization attesting to the fact that the applicant is of a type or character which makes it eligible for a license under this ordinance and not ineligible for any of the reasons or causes hereinafter set forth;
7. Maximum dollar amount of raffle tickets to be sold;
8. Such other information as the City Clerk shall reasonably require to process said application.
A. The exact form of application shall be established by the City Clerk consistent with this Ordinance.

B. Each license is valid for one raffle only.

C. Each application shall be accompanied by a bond of the raffle manager. All operation of and the conduct of raffles shall be under the supervision of a single raffles manager designated by the application. At the time the application is submitted to the City Clerk, the manager shall give a fidelity bond in the amount of the maximum dollar amount of all raffle chances to be sold (as stated on the application) in favor of the applicant conditioned upon his honesty in the performance of his duties. Terms of the bond shall provide that notice shall be given in writing to the licensing authority not less than thirty (30) days prior to its cancellation. The City Manager of the City of DeKalb may waive this bond requirement by including a waiver provision in the license issued to an organization under this Act, provided that a license containing such waiver provision shall be granted only by unanimous vote of the members of the licensed organization. All bonds must be approved by the City Clerk or a deputy of her office.

D. The City of DeKalb shall act on all applications within thirty (30) days after they are submitted to the City Clerk's office in proper form with all required bond, information and other documentation included therein.

37.04 INELIGIBLE PERSONS AND ORGANIZATIONS.

The following are ineligible for any license under this Ordinance:

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 (1), (2), or (3) has a proprietary, equitable or credit interest, or in which such a person is active or employed;

e) Any organization in which a person defined in (1), (2) or (3) is an officer, director, or employee, whether compensated or not; and,

f) Any organization in which a person defined in (1), (2) or (3) is to participate in the management or operation of a raffle as defined in this Ordinance.

37.05 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 organization permitted to conduct the game.

b) No person except a bona fide member of the sponsoring organization 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 Ordinance.

e) Raffle chances may be sold or issued only within the area specified on the license and winning chances may be determined only at those locations specified on the license.

f) No person under the age of 18 years may participate in the conducting of raffles or chances. 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 guardian.

37.06 REQUIRED RECORDS AND REPORTS.

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 non-profit organization pursuant to license therefore issued by the Department of Revenue of the State of Illinois, and placed in a separate account. Each organization shall have separate records for 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 monthly to its membership, its gross receipts, expenses and net proceeds from raffles, and the distribution of net proceeds itemized as required in this Section. Said monthly reports shall be made available to the DeKalb City Clerk on request.

d) Records required by this Section shall be preserved for three years, and organizations shall make available their records relating to operation of raffles for public inspection at reasonable times and places.

37.07 OTHER ACTIVITIES PROHIBITED.

Nothing in this Ordinance (Chapter) shall be construed to authorize the conducting or operating of any gambling scheme, enterprise, activity or device other than raffles as provided for herein.

37.08 PENALTY.

Any person, organization, society, partnership, association or corporation who violates any provisions of this Chapter 37 or shall fail to comply with any of the requirements thereof shall be fined for a first violation of any of the provisions of this Chapter 37 or failure to comply with the requirements hereof within twelve (12) months of the first violation a fine of not less than One Hundred Dollars ($100.00) nor more than Five Hundred Dollars ($500.00), or incarceration in an institution other than a penal institution for a period not exceeding thirty days.

(Chapter 37 established by Ord. 80-77)