

VILLAGE OF SHERIDAN
ORDINANCE NO. 2021- _____

AN ORDINANCE AUTHORIZING AND LICENSING OF RAFFLES

WHEREAS, the Village of Sheridan adopted within the MUNICIPAL CODE OF SHERIDAN a CHAPTER 14A – RAFFLE REGULATION AND LICENSING allowing raffles and related activities in compliance with the RAFFLES AND POKER RUNS ACT found at 230 ILCS 15; and,

WHEREAS, the RAFFLES AND POKER RUNS ACT has been amended and this Village Board desires to amend their CHAPTER 14A – RAFFLE REGULATION AND LICENSING IN THE VILLAGE OF SHERIDAN to comply with statutory amendments;

WHEREFORE, BE IT ORDAINED that CHAPTER 14A – RAFFLE REGULATION AND LICENSING of the MUNICIPAL CODE OF SHERIDAN is amended as follows:

~~Strike through text is deleted.~~

Bold text is added.

All other text remains unchanged.

CHAPTER 14A-RAFFLE REGULATION AND LICENSE

SECTION 1. Definitions.

All definitions contained in the Illinois Raffles and Poker Runs Act shall apply to this Ordinance and in case of any conflict between the provisions of this Ordinance and the provisions of the Illinois Raffles and Poker Runs Act as amended, the Illinois Raffles Act shall control.

a. "Business": A voluntary organization composed of individuals and businesses who have joined together to advance the commercial, financial, industrial and civic interests of a community.

b. "Charitable": 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.

c. "Educational": 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.

d. "Eligible Entity": An organization identified in "SECTION 3. Eligible Entity for License" of this CHAPTER 14A-RAFFLE REGULATION AND LICENSE

e. "Fraternal": 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.

f. "Key Location":

(1) For a poker run, the location where the poker run concludes and the prizes are awarded.

(2) For a raffle, the location where the winning chances in the raffle are determined.

f. g. "Labor": 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.

g. h. "Law enforcement agency": An agency of this state or unit of local government which is vested by law or ordinance with the duty to maintain public order and to enforce criminal laws or ordinances.

h. i. "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 or poker run.

i. j. "Non-profit": 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.

j. k. "Poker Run" **A prize-awarding event organized by an organization licensed under this Act in which participants travel to multiple predetermined locations, including a key location, to play a randomized game based on an element of chance. "Poker run" includes dice runs, marble runs, or other events where the objective is to build the best hand or highest score by obtaining an item or playing a randomized game at each location.**

l. "Raffle": A form of lottery, as defined in Section 28-2(b) of the Criminal Code of 2012, 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 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 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.

"Raffle" does not include **any game designed to simulate: (1) gambling games as defined in the Riverboat Gambling Act, (2) any casino game approved for play by the Illinois Gaming Board, (3) any games provided by a video gaming terminal, as defined in the Video Gaming Act, or (4) a savings promotion raffle authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).**

~~k. m.~~ "Religious": Any church, congregation, society, or organization founded for the purpose of religious worship.

~~l. n.~~ "Veterans": 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.

SECTION 2. ~~License Required.~~ **Licensing.**

No person, firm or corporation or other entity shall conduct a raffle in the Village of Sheridan without first having obtained a license for such pursuant to this Ordinance or pursuant to a jointly established system for licensing approved by the Village of Sheridan. Nothing in this CHAPTER 14A-RAFFLE REGULATION AND LICENSE shall be construed to authorize the conducting or operating of any gambling scheme, enterprise, activity or device other than raffles or poker runs as provided for herein. **A license shall authorize the holder of such license to sell raffle chances throughout the State, including beyond the borders of the licensing municipality or county.**

SECTION 3. Eligible Entity for License.

Raffle licenses shall be issued to an Eligible Entity. An Eligible Entity is limited only to bona fide religious, charitable, labor, business, fraternal, educational, ~~or veterans'~~ **or other bona fide not for profit** organizations that operate without profit to their members and which have been in existence continuously for a period of 5 years immediately before making application for a raffle license and which have ~~had during that entire 5-year period~~ **been a bona fide membership** engaged in carrying out their objects, or to a non-profit fundraising organization that the licensing authority determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as the result of an illness, disability, accident or disaster, **or to any** ~~as well as~~ law enforcement agencies and statewide associations that represent law enforcement officials ~~as provided for in Section 9 of the Raffles and Poker Runs Act.~~

SECTION 4. Applications for License.

a. Applications shall be made in writing on the form prescribed by the Village of Sheridan and filed with the Village Administrator at least forty-five (45) days prior to the first day intended for the sale of the raffle chances. The application for license must specify the **location or locations**

~~at area or areas in~~ which **winning raffle chances in the raffle** will be **determined** ~~sold or issued,~~
the time period during which raffle chances will be sold or issued, ~~and the time and location at~~
which winning chances will be determined.

b. The application shall be supplemented by a sworn statement attesting to the not-for-profit character of the prospective licensee organization, signed by the presiding officer and the secretary of that organization.

c. The Applicant, on behalf of the entity eligible for a license, shall be the proposed Raffle Manager.

d. The following are ineligible to be an Applicant (Raffle Manager) **unless the Village Board grants a variance in compliance with the Illinois Rafters and Poker Runs Act:**

(1) any person whose felony conviction will impair the person's ability to engage in the licensed position;

(2) any person who is or has been a professional gambler or **professional** gambling promoter;

(3) any person who is not of good moral character;

e. An Eligible Entity may be denied a license:

(1) in the event a person defined in above d. (1), (2) or (3) is an officer, director, or employee of the Eligible Entity, whether compensated or not;

(2) in the event a person defined in above d. (1), (2) or (3) is to participate in the management or operation of a raffle as defined in this Act.

(3) in the event that a person defined in d. (1), (2) or (3) has a proprietary, equitable or credit interest in the proposed raffle.

f. In considering a conviction of an Applicant (Raffle Manager) in above d (1), the Village shall not require applicants to report the following information and shall not consider the following criminal history records in connection with an application for licensure:

(1) Juvenile adjudications of delinquent minors as defined in Section 5-105 of the Juvenile Court Act of 1987, subject to the restrictions set forth in Section 5-130 of the Juvenile Court Act of 1987.

(2) Law enforcement records, court records, and conviction records of an individual who was 17 years old at the time of the offense and before January 1, 2014, unless the nature of the offense required the individual to be tried as an adult.

(3) Records of arrest not followed by a conviction.

(4) Convictions overturned by a higher court.

(5) Convictions or arrests that have been sealed or expunged.

g. Upon a finding that an Applicant (Raffle Manager) for a license was previously convicted of a felony, the Village Board shall consider any evidence of rehabilitation and mitigating factors contained in the applicant's record, including any of the following factors and evidence, to determine if the conviction will impair the ability of the applicant to engage in the position for which a license is sought:

(1) the lack of direct relation of the offense for which the applicant was previously convicted to the duties, functions, and responsibilities of the position for which a license is sought;

(2) whether 5 years since a felony conviction or 3 years since release from confinement for the conviction, whichever is later, have passed without a subsequent conviction;

(3) if the applicant was previously licensed or employed in this State or other states or jurisdictions, then the lack of prior misconduct arising from or related to the licensed position or position of employment;

(4) the age of the person at the time of the criminal offense;

(5) successful completion of sentence and, for applicants serving a term of parole or probation, a progress report provided by the applicant's probation or parole officer that documents the applicant's compliance with conditions of supervision;

(6) evidence of the applicant's present fitness and professional character;

(7) evidence of rehabilitation or rehabilitative effort during or after incarceration, or during or after a term of supervision, including, but not limited to, a certificate of good conduct under Section 5-5.5-25 of the Unified Code of Corrections or a certificate of relief from disabilities under Section 5-5.5-10 of the Unified Code of Corrections; and

(8) any other mitigating factors that contribute to the person's potential and current ability to perform the duties and responsibilities of the position for which a license or employment is sought.

h. The Village shall act on an application within 30 days from filing with the Village Clerk/Administrator. If the Village refuses to issue a license to an applicant, then the applicant shall be notified of the denial in writing with the following included in the notice of denial:

(1) a statement about the decision to refuse to issue a license;

(2) a list of the convictions that the licensing authority determined will impair the applicant's ability to engage in the position for which a license is sought;

(3) a list of convictions that formed the sole or partial basis for the refusal to issue a license; and

(4) a summary of the appeal process or the earliest the applicant may reapply for a license, whichever is applicable.

SECTION 5. License.

The fee for a license to conduct a raffle(s) shall be \$30.00. No application for a license will be approved prior to receipt of the license fee. Any licenses issued pursuant to this Ordinance shall be valid for one raffle or for a specified number of raffles to be conducted during a specified period. No raffle license shall extend beyond one year. The license shall specify the area or areas within the licensing authority in which raffle chances will be sold, the time period during which raffle chances will be sold or issued, the time of determination of winning chances and the location or locations at which winning chances will be determined.

SECTION 6. Manager and Bond.

All **management**, operation, and conduct of raffles shall be under the supervision of a single manager designated by the organization. The manager shall give a fidelity bond in an amount determined by the licensing authority in favor of the organization 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 30 days prior to its cancellation. The Village Board 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 **the affirmative unanimous** vote of the **requisite number of** members of the licensed organization **or, if the licensed organization does not have members, of members of the governing board of the organization, to constitute an affirmative action of the licensed organization.**

SECTION 7. Limitations and Conduct of Raffles.

a. Raffles are subject to the following limitations:

- (1) The aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle under this ordinance is limited to \$50,000.00.
- (2) The maximum retail value of each prize awarded by a licensee in a single raffle is limited to \$35,000.00.
- (3) The maximum price which may be charged for each raffle ticket issued or sold is limited to \$200.00.
- (4) The maximum number of days during which chances may be issued or sold is limited to 364 days.
- (5) The entire net proceeds of any raffle must be exclusively devoted to the lawful purposes of the organization permitted to conduct that game.
- (6) No person except a bona fide **director, officer, employee, or** member of the sponsoring organization may **manage or** participate in the management ~~or operation~~ of the raffle or poker run. ~~(7)~~ No person may receive any remuneration or profit for **managing or** participating in the management ~~or operation~~ of the raffle or poker run. **Sponsoring organizations may contract with third parties who, acting at the direction of and under the supervision of the sponsoring organization, provide bona fide services to the sponsoring organization in connection with the operation of a raffle and may pay reasonable compensation for such services. Such services include the following: (a) advertising, marketing and promotion, (b) legal, (c) procurement of goods, prizes, wares and merchandise for the purpose of operating the raffle, (d) rent, if the premises upon which the raffle will be held is rented, (e) accounting, auditing and bookkeeping, (f) website hosting, (g) mailing and delivery, (h) banking and payment processing, and (i) other services related to the operation of the raffle.**
- ~~(8)~~ (7) A licensee may rent premises on which to determine the winning chance or chances in a raffle **providing that the rent is not determined as a percentage of receipts or profits from the raffle.** If a lessor rents the premises where a winning chance or chances on a raffle is determined, the lessor shall not be criminally liable if the person who uses the premises for the determining of winning chances does not hold a license issued by the Village of Sheridan.

~~(9) (8) Unless otherwise authorized under the Illinois Raffles and Poker Runs Act or pursuant to a jointly established system for licensing approved by the Village of Sheridan, raffle tickets may only be sold or issued in the Village of Sheridan and the winning ticket(s) shall be drawn within the Village of Sheridan. Raffle chances may be sold throughout the State, including beyond the borders of the licensing municipality or county. Winning chances may be determined only at those locations specified on the license for a raffle.~~

~~(10) (9) A person under the age of 18 years may participate in the conducting of raffles or chances or poker runs only with the permission of a parent or guardian. A person under the age of 18 years may be within the area where winning chances in a raffle or winning hands or scores in a poker run are being determined only when accompanied by his parent or guardian.~~

SECTION 8. Suspension/Revocation and Punishment.

Any license may be suspended or revoked by the Village Board at any time it appears that the proposed or actual operation of the raffle will be or is such as to constitute a public nuisance or to endanger the public peace, health, safety or welfare. Any license granted under this Ordinance may be suspended or revoked in whole or in part at any time that the raffle is conducted contrary to the license or to any State law or rule or Village ordinance or when such raffle or portion thereof is conducted so as to constitute a public nuisance or to disturb the peace, health, safety or welfare. Suspension or revocation shall become effective immediately. It shall be a violation for any person to operate, engage or participate in, except as a patron, any raffle which license has been suspended or revoked.

In addition to any suspension or revocation of license, any person, firm or corporation, who violates, fails, neglects or refuses any provision of this chapter, shall be fined according to the Uniform Fine Schedule in CHAPTER 30 – THE CODE, Article 1- Title: Interpretation, Paragraph 3 Penalties. Each day that a violation hereof exists shall be considered a separate offence. Each raffle held in violation hereof shall be considered a separate offence.

SECTION 9. 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 in a raffle or winning hands or scores in a poker run 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 license therefor issued by the Department of Revenue of the State of Illinois, 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 or poker runs 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 **or, if the organization does not have members, to its governing board.** Each organization licensed to conduct raffles shall report promptly to the licensing local unit of government its gross receipts, expenses and net proceeds from the raffle, and the distribution of net proceeds itemized as required in this Section.

d. Records required by this Section shall be preserved for 3 years, and organizations shall make available their records relating to operation of raffles or poker runs for public inspection at reasonable times and places.

SECTION 10. Village Annual Report

No later than May 1 of each year, the Village will prepare, publicly announce, and publish a report of summary statistical information relating to new and renewal license applications during the preceding calendar year. Each report shall show, at a minimum:

a. the number of applicants for a new or renewal license under this Act within the previous calendar year;

b. the number of applicants for a new or renewal license under this Act within the previous calendar year who had any criminal conviction;

c. the number of applicants for a new or renewal license under this Act in the previous calendar year who were granted a license;

d. the number of applicants for a new or renewal license with a criminal conviction who were granted a license under this Act within the previous calendar year;

e. the number of applicants for a new or renewal license under this Act within the previous calendar year who were denied a license; and

f. the number of applicants for a new or renewal license with a criminal conviction who were denied a license under this Act in the previous calendar year in whole or in part because of a prior conviction.

SECTION 11. Validity.

If any provision, clause, sentence, paragraph, section, or part of this ordinance or application thereof to any person, firm, corporation, public agency or circumstance, shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this ordinance and the application of such provision to other persons, firms, corporation, or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person, firm, corporation, or circumstances involved. It is hereby declared to be the legislative intent of

the corporate authorities that this ordinance would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included.

SECTION 12. Repealer.

All ordinances or parts of ordinances in conflict herewith are hereby repealed but except as so repealed shall be and remain in full force and effect.

This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as required by law.

Passed and approved this 11th day of January, 2021.

Village President

ATTEST:

Village Clerk

SEAL