

**TITLE XI**  
**BUSINESS REGULATIONS**

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*Raffle Permits*

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*Alcoholic Beverages, Video Gaming and Raffle Permits*

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*Outside Restaurants (Café) and Drinking in Public Places*

*Updated October 9, 2014*

*Solicitation of Contributions on Highways*

*Updated July 24, 2014*

*Solicitors Code*

*Updated June 14, 2012*

*Video Gaming Act*

## **TITLE XI: BUSINESS REGULATIONS**

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## CHAPTER 112: RAFFLES

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## Huntley – Business Regulations

### § 112.01 DEFINITIONS

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**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.

**CHARITABLE.** An organization or institution organized and operated to benefit an indefinite number of the public. The services rendered to those eligible for benefits must also confer some benefit on the public.

**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.

**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.

**LABOR.** An organization composed of workers organized with the objective of betterment of the conditions of those engaged in such pursuit. Such pursuit and the development of a higher degree of efficiency in their respective occupations.

**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.

**NONPROFIT.** An organization or institution organized and conducted on a not-for-profit basis with no personal profit incurring to anyone as a result of the operation.

**RAFFLE.** A form of lottery, as defined in ILCS Ch. 720, Act 5, § 28-2(b) or the Criminal Code of 2012 conducted by an organization licensed under this chapter 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;
- (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.

**RELIGIOUS.** Any church, congregation, society, or organization founded for the purpose of religious worship.

**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 to confer a public benefit.

## § 112.02 LICENSE REQUIRED

It shall be unlawful for any person, firm, or corporation to conduct raffles or chances within the Village unless the person, firm, or corporation has a valid license issued in accordance with the provisions of this chapter. Licenses shall be issued only to *bona fide* religious, charitable, labor, fraternal, educational, or veteran organizations that operate without profit to their members and which have been in existence continuously for a period of five years immediately before making application for a license and which have been during that entire five-year period 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.

Penalty, see § 10.99

## § 112.03 APPLICATION

Applications for such licenses shall be made to the Village President or his designated representative, signed by the applicant or its duly-authorized representatives and verified by oath or affidavit, and shall contain the following information and statements:

(A) Names, ages, and addresses of the applicant in the case of an individual or in such other case by the duly-authorized representatives of the applicant, the date of incorporation of any corporation, the date of formation of any club, the objects for which a club or corporation was formed, the names and addresses of the officers and directors of any club, the name and address of the local representative of any church.

(B) The character of business of the applicant and in the case of a corporation the objects for which it was formed.

(C) The location and description of the premises or place of business upon which the raffle will be held.

(D) The area or areas within the Village in which raffles chances will be sold or issued, the time period during which raffle chances will be sold or issued, the time of determination of winning chances and the method by which the winning chance will be determined.

(D) The maximum number of days during which chances may be issued or sold.

(E) A statement attesting to the not-for-profit character of the prospective licensee organization signed by the presiding officer and secretary of that organization.

(F) A statement that applicant has never been convicted of a felony and is not disqualified to receive a license by reason of any other matter or thing contained in this chapter, this code of ordinances, or any other applicable ordinance of the Village, laws of the state, or of the United States of America.

(G) Whether a previous license by any state or subdivision thereof or by the Federal Government has been revoked and the reasons therefore.

(H) A statement that the applicant will not violate any of the laws of the state or of the United States or any provision of this code or any other ordinance of the Village in the conduct of the raffle.

(I) A statement that the applicant will not allow gambling devices or gambling on the premises where the drawing will be held except video gaming terminals or devices pursuant to the Illinois Video Gaming Act and which is lawfully operated within a licensed establishment in accordance with section 110.60 of this Code.

(J) Any raffle in which the aggregate value of the prizes is equal to or less than five hundred dollars (\$500.00) shall be considered automatically licensed without necessity of an application.

Penalty, see § 10.99

## **§ 112.04 RESTRICTIONS OF LICENSES**

No such licenses shall be issued to:

(A) A person who is not of good character and reputation in the Village;

(B) A person who has been convicted of a felony under any federal or state law;

(C) Any person who is or has been a professional gambler or gambling promoter;

(D) Any firm or corporation in which a person defined in (a), (b) or (c) 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 (a), (b), or (c) is an officer, director, or employee, whether compensated or not;

(F) Any organization in which a person defined in (a), (b), or (c) is to participate in the management or operation of a raffle as defined herein.

(G) Penalty, see § 10.99

## **§ 112.05 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 that 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 act;

(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 parents or guardian.

Penalty, see § 10.99

## **§ 112.06 LIMITATIONS ON LICENSES**

A license authorizes the licensee to conduct raffles as defined in this chapter. Each such license is valid for one raffle.

Penalty, see § 10.99

## **§ 112.07 CONTENT OF LICENSE APPLICATION**

The license application shall contain the following information:

(A) The aggregate retail value of all prizes or merchandise awarded by the licensee in a single raffle. In no event shall the aggregate retail value of any prize or merchandise exceed the sum of \$200,000 in a single raffle.

(B) The maximum retail value of each prize awarded by the licensee in a single raffle. In no event shall the maximum retail value of any prize or merchandise exceed the sum of \$200,000 in a single raffle.

Penalty, see § 10.99

## **§ 112.08 APPROVAL OF APPLICATION**

Except as provided in § 112.07(C) the Village President or his designated representative shall have 30 days in which to approve or disapprove the license applied for. In the event the Village President or his designated representative shall fail to take action within the 30 day period, in the event they would disapprove the license applied for, or in the event they would fail to approve the maximum price charged for each raffle chance pursuant to § 112.07(C), the applicant shall have the right upon written receipt to appeal that decision to the President and Board of Trustees at the next regularly scheduled Board meeting. The President and Board of Trustees shall have the right to review the application and approve or deny issuance of the license applied for.

(Ord. 84-3-1, passed 3-1-84)

## **§ 112.09 REVOCATION OF LICENSE**

The Village President or his designated representative may revoke any licenses issued by the Village if it is determined that the licensee has violated any provision of this chapter.

Penalty, see § 10.99

## **§ 112.10 RAFFLE MANAGER; BOND**

Operation and conduct of raffles shall be under the supervision of a single raffle manager designated by the person or organization making application for a license. The manager shall give a fidelity bond in an amount not less than the anticipated gross receipts for each raffle. The bond shall be in favor of the organization and conditioned upon his honesty in the performance of his duties. The bond shall also provide that notice be given in writing to the Village not less than 30 days prior to its cancellation. The Village President or his designated representative is authorized to waive requirement for bond by including a waiver provision in the license issued, provided that the license containing the waiver provision shall be granted only by unanimous vote of the members of the licensed organization.

Penalty, see § 10.99

## **§ 112.11 RECORDS; REPORTING OF GROSS RECEIPTS AND OTHER INFORMATION**

(A) Each organization licensed to conduct raffles and changes 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 raffle 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 therefore issued by the Department of Revenue of the state, 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 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, and to the Village, its gross receipts, expenses, and net proceeds from raffles, and the distribution of net proceeds itemized as required in this section.

(D) Records required by his 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.

Penalty, see § 10.99

## **§ 112.12 FEES**

The fee payable to the Village upon receipt of the application shall be as set forth below

Aggregate Prize Value	Fee
\$501 - \$5,000	None
\$5,001 and over	\$25.00

## **§ 112.13 APPLICATION FORM FOR RAFFLE LICENSE**

See current form on file.