

ORDINANCE NO. F-1538
AN ORDINANCE AMENDING CHAPTER 10 (AMUSEMENTS AND ENTERTAINMENTS)
ARTICLE VII (RAFFLES) OF THE WHEATON CITY CODE

BE IT ORDAINED by the Mayor and City Council of the City of Wheaton, Illinois, as follows:

Section 1: That Sections 10-191 through 10-198, of the Wheaton City Code, 1996, as amended, are hereby further amended by deleting the existing language and replacing it, as follows:

“Sec. 10-191. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Applicant means any person or entity described in Section 10-192 (a) 1 and 2 as being qualified to submit an application for a raffle license.

Business means 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 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.

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 burden of government by caring for those who otherwise would be cared for by government.

Labor means 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.

- *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.

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

Raffle means any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prizes, whether such scheme or procedure is called a lottery, raffle, gift, sale, or some other name, conducted by an organization licensed under this article, in which:

(1) The player pays or agrees to pay something of value for a chance, presented and differentiated by a number or by a combination of numbers or by some other medium, one or more of which chances are to be designated the winning chance.

Raffle drawing means any permitted drawing, lottery, or game of chance to determine the winner(s) of a raffle, except that the winning chance shall not be determined by the outcome of a publicly exhibited sporting contest.

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

Veterans means an organization or association comprised of members of whom 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.

Sec. 10-192. Construction of article.

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

Sec. 10-193. License--Required.

No person or entity shall conduct raffles or any raffle related activities in the city without first having obtained a license therefore pursuant to the provisions of this article.

Sec. 10-194. Same--Application.

(a) Applications for licenses to conduct raffles shall be made in writing and delivered to the City Manager. Applications for Raffle Licenses shall not be submitted to the City Manager more than one year in advance of the date of the requested raffle drawing. Licenses shall be issued only to:

(1) bona fide religious, charitable, labor, business, fraternal, educational or veterans organizations, which operate without profit to their members, as defined in this article. Such organizations shall have been in existence continuously for a period of no less than five (5) years immediately before making application for a license, and such organizations shall have had for that entire five (5)-year period a bona fide membership engaged in carrying out its objectives.

(2) 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.

(b) Such applications shall contain the following information:

(1) The areas within the city in which raffle chances, tickets, and the like will be sold or issued;

(2) The time period during which raffle chances will be sold or issued;

(3) The manner in which the proceeds from the raffle will be used for charitable purposes;

(4) The time of determination of winning chances and the location at which winning chances will be determined;

(5) The application shall contain a sworn statement attesting to the not-for-profit character of the prospective licensee organization; the sworn statement must be signed by the presiding officer and secretary of the prospective licensee organization as well as written proof issued by the State of Illinois the Applicant is in good standing with the Office of the Illinois Secretary of State.

(c) All applicants for licenses under this article must have their principal place of business within Milton Township unless otherwise allowed by the city council.

Sec. 10-195. Same--Issuance or denial; conditions; fee.

Within 30 days from the date of an application for a license under this article, the city manager shall either issue a license or advise, in writing, the applicant of the reason for denial of a license. Such license is subject to the following conditions and restrictions:

(1) Each license is valid for only one raffle and the raffle drawing shall take place on a single calendar day and shall be specified on the application.

(2) All raffle winners will be determined on the day of the raffle drawing and there shall be no roll-over/carry-over of raffle prize(s)/merchandise.

(3) No more than two (2) raffle licenses shall be issued during any twelve (12) month period to any Applicant with the same name, or collectively to one or more organizations with different names sharing any common officer(s) or director(s).

(4) The following are not eligible for any license:

- 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 subsections (2)a through (2)c of this section 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 subsections (2)a through (2)c of this section is an officer, director, or employee, whether compensated or not.
- f. Any organization in which a person defined in subsections (2)a through (2)c of this section is to participate in the management or operation of a raffle as defined in this article.

(5) The aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle shall not exceed \$10,000.00, unless otherwise provided by resolution of the city council.

(6) The maximum number of days during which chances may be issued or sold shall be ninety (90) days, unless otherwise provided by resolution of the city council.

(7) The license fee shall be Twenty-five Dollars (\$25.00).

Sec. 10-196. Conducting raffles.

The conducting of raffles within the city is subject to the following restrictions and conditions:

- (1) The entire net proceeds of any raffle must be exclusively devoted to the lawful purposes of the organization permitted to conduct that game.
- (2) No person except a bona fide member of the sponsoring organization may participate in the management or operation of the raffle.
- (3) No person may receive any remuneration or profit for participating in the management or operation of the raffle.
- (4) All drawings for the winning raffle ticket or tickets shall be held in a place open to the general public.
- (5) Raffle chances may be sold or issued only within the areas specified on the license, and winning chances may be determined only at those locations specified on the license.

(6) A person under the age of 18 years may participate in the conducting of raffles or chances 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 are being determined only when accompanied by his parent or guardian.

(7) All raffle tickets sold by a licensed organization shall include the name and address of the sponsoring organization on the raffle ticket.

(8) The sale of raffle chances may only take place within the corporate limits of the city.

(9) The drawing of the winning raffle ticket or tickets must take place within the corporate limits of the city.

(10) If a lessor rents premises where a winning chance or chances on a raffle are 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 city under the provisions of this article.

(11) No less than fifty-five percent (55%) of the raffle proceeds shall be delivered to charitable beneficiary.

Sec. 10-197. Manager; bond.

All operation and conduct of raffles shall be under the supervision of a single raffle manager designated by the licensed organization. The manager shall give a fidelity bond in the sum of the total amount of the aggregate fair market value of all of the prizes in favor of the organization conditioned upon his honesty and the performance of his duties. The terms of the bond shall provide that notice shall be given in writing to the city not less than 30 days prior to its cancellation. The city council may waive this bond requirement by including a waiver provision in the license issued to an organization under this article, provided that a license containing such waiver provisions shall be granted only by unanimous vote of the members of the licensed organization.

Sec. 10-198. Records and reporting requirements.

Each organization licensed to conduct raffles and chances pursuant to this article shall keep records, provide reports, and be subject to the requirements set out as follows:

(1) Each licensee shall keep records of gross receipts, expenses and net proceeds for each raffle 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 reasons for the deduction, and the recipient. The distribution of net proceeds shall be itemized as to payee, purpose, amount, and date of payment.

(2) 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 conducted by the same nonprofit organization pursuant to a license therefore issued by the state department of revenue, 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.

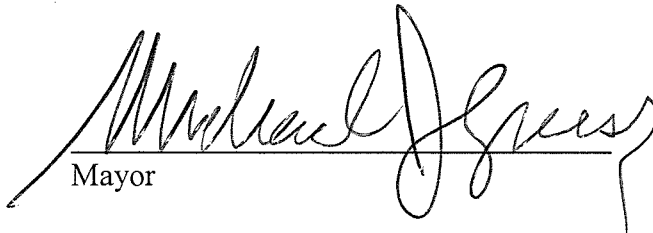
(3) Each organization licensed to conduct raffles shall submit a report within thirty (30) days after the conclusion of each raffle to its membership and to the city of its gross receipts, expenses, and net proceeds from raffles, and the distribution of net proceeds itemized as required under (1) of this section.

(4) Records required by this article 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.”

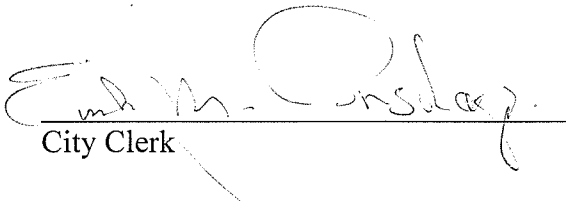
Section 2: That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 3: That this ordinance shall become effective from and after its passage, approval and publication in a manner prescribed by law.

ATTEST:



Mayor



City Clerk

Ayes:

Roll Call Vote:

- Councilman Scalzo
- Councilman Sues
- Councilwoman Corry
- Councilman Levine
- Councilman Mouhelis
- Mayor Gresk
- Councilman Prendiville

Nays:

None

Absent:

None

Passed: February 7, 2011
Published: February 8, 2011

