

## McHENRY COUNTY RAFFLE ORDINANCE

**WHEREAS**, the County of McHenry, Illinois, may, pursuant to Public Act 81-1365 as amended (*Illinois Revised Statutes*, 1983, Chapter 85, Paragraph 2301 et seq.), enacted by the 81st General Assembly of the State of Illinois, establish a system for the licensing of organizations to operate raffles.

**NOW THEREFORE, BE IT ORDAINED** by the County Board of the County of McHenry, Illinois, as follows:

**I. TITLE:** This ordinance shall be known, cited, and referred to as the "McHenry County Raffle Ordinance".

**II. PURPOSE:** The purpose of this Ordinance is to regulate and control the conduct of raffles within the borders of the County of McHenry and outside the borders of any municipality whether in McHenry County or outside of McHenry County. Nothing in this Ordinance shall be construed to authorize the conducting or operating of any gambling scheme, enterprise, activity, or device other than raffles as provided for herein.

**III. CONSTRUCTION:** In the construction of this Ordinance, the definitions hereunder shall be observed and applied, except when the context clearly indicates otherwise:

- A. Words in the present tense shall include the future tense; words used in the singular number shall include the plural number; words used in the masculine gender shall include the feminine gender; and such inclusive words shall be reciprocal.
- B. The word "may" is permissive or discretionary.
- C. The word "shall" is mandatory and not discretionary.
- D. Words not defined shall be interpreted in accordance with their commonly-held meanings.

**IV. SEVERABILITY:** If any provision of this Ordinance or the application thereof is held to be unconstitutional or otherwise invalid by a court of competent jurisdiction, such ruling shall not affect any other provisions of this Ordinance not specifically included in such ruling or which

can be given effect without the unconstitutional or invalid provision or application; and to this end, the provisions of this Ordinance are declared severable.

**V. DEFINITIONS:** For the purposes of this Ordinance, the words and phrases listed hereunder have the meanings designated herein, except when a particular context clearly requires a different meaning:

A. Charitable Organization is 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 upon the public.

B. County is the County of McHenry, Illinois.

C. County Board is the County Board of the County of McHenry, Illinois.

D. Educational Organization is 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.

E. Fraternal Organization is 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 who otherwise would be cared for by the government.

F. Labor Organization is an organization composed of workers organized with the objective of betterment of the conditions of those engaged in such pursuit in the development of a higher degree of efficiency in their respective occupations.

G. Licensee is an organization which has been issued a license to operate a raffle.

H. Liquor and License Committee is the Liquor and License Committee of the County Board of the County of McHenry, Illinois.

I. Net Proceeds means the gross receipts from the conduct of raffles, less sums expended for prizes, local license fees and other reasonable operating expenses incurred as a result of operating a raffle.

J. Non-Profit means organized, operated, and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of such operation.

K. Ongoing Raffle means a raffle in which there is one sale of chances before an initial drawing date; thereafter, the chances shall be valid at subsequent drawings in the same raffle.

L. Person means an individual, firm, organization, public or private corporation, government, partnership, or unincorporated association.

M. Raffle means a form of lottery, as defined in Section 28-2 of the "Criminal Code of 1961" (*Illinois Revised Statutes, 1983, Chapter 38, Section 28-2*), conducted by an organization licensed under this ordinance, 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 means, 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.

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

O. Veterans Organization is 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.

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

**VI. LICENSE REQUIREMENTS:** It shall be unlawful for any person to conduct or operate a raffle, or to sell, offer for sale, convey, issue, or otherwise transfer for value a chance on a raffle, unless conducted pursuant to a license duly issued by the County of McHenry and in accordance with the provisions of this Ordinance.

**VII. APPLICATION FOR LICENSE:**

A. Any person seeking to conduct or operate a raffle shall file an application therefore with the Liquor and License Committee on forms provided by the Liquor and License Committee. Said application shall contain the following information:

1. The name, address, and type of organization;
2. The length of existence of the organization and, if incorporated, the date and state of incorporation;
3. The name, address, telephone number, social security number, and date of birth of the organization's presiding officer, secretary, raffles manager, and any other members responsible for the conduct and operation of the raffle;
4. The aggregate retail value of all prizes to be awarded in the raffle;
5. The maximum retail value of each prize to be awarded in the raffle;
6. The maximum price charged for each raffle chance issued or sold;
7. The maximum number of raffle chances to be issued;

8. The area or areas in which raffle chances will be sold or issued;
9. The time period during which raffle chances will be issued or sold;
10. The date, time, and location at which winning chances will be determined;
11. A sworn statement attesting to the not-for-profit character of the applicant organization, signed by the presiding officer and secretary of that organization;
12. A certificate signed by the presiding officer of the applicant organization attesting to the fact that the information contained in the application is true and correct.

B. A fee shall be charged by the County of McHenry and paid to the Liquor and License Committee at the time of application for a raffle license, according to the following schedule:

<u>AGGREGATE RETAIL VALUE OF PRIZES</u>	<u>FEE</u>
Less than \$500	\$ 10.00
\$500 or more, but less than \$1,000	\$ 20.00
\$1,000 or more, but less than \$10,000	\$ 50.00
\$10,000 or more, but less than \$100,000	\$ 75.00
More than \$100,000	\$100.00

In the case of an on-going raffle, a licensee need not apply for a new license for each drawing and pay a fee therefore. Said licensee may instead request the Liquor and License Committee to renew said raffle license for a period of time equal to the initial license, and pay a fee of \$10.00 for each renewal.

Said application fees are non-refundable even should the application be rejected by the Liquor and License Committee.

**VII. LICENSEE QUALIFICATIONS:** Raffle licenses shall be issued only to bona fide charitable, educational, fraternal, labor, business, religious and veterans organizations that operate without profit to their members and which have been in existence continuously for a period of five (5) years or more 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, or to a non-profit fundraising organization that the Liquor and License Committee determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as a result of an illness, disability, accident or disease. 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 A, B, or C supra 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 A, B, or C supra is an officer, director, or employee, whether compensated or not;
- F. Any organization in which a person defined in A, B, or C supra is to participate in the management or operation of a raffle as defined in this ordinance.

**IX. LICENSE ISSUANCE:**

- A. The Liquor and License Committee shall review all raffle license applications. The Liquor and License Committee shall, within 30 days from the date of application, accept or reject a raffle license application. This shall be achieved by a majority vote of said Committee. If an application is accepted, the Liquor and License Committee shall forthwith issue a raffle license to the applicant. A raffle license shall be valid for a period of thirty (30) days from and after its issuance unless the Liquor and License Committee has specifically authorized a license for a longer period of time, but not for more than ninety (90) days, except for on-going raffles as defined in Article VII, paragraph herein.
- B. A raffle license shall show the following:

1. The area or areas in which raffle chances may be sold or issued;
2. The period of time during which raffle chances may be sold or issued;
3. The maximum price which may be charges for each raffle chance issued or sold;
4. The date, time, and location on or at which winning chances will be determined;

C. Said license shall be prominently displayed at the time and location of the determination of the winning chances;

D. A license shall be valid for one (1) raffle only; however, multiple licenses may be issued for multiple raffles to a licensee.

**X. CONDUCT OF RAFFLES:** The operation and conduct of raffles are subject to the following restrictions:

A. The entire net proceeds of any raffle must be exclusively devoted to the lawful purpose 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 Ordinance;

E. Raffle chances may be sold, offered for sale, conveyed, issued, or otherwise transferred for value only within those areas which are both within the borders of the county and outside the borders of any municipality (*Illinois Revised Statutes, Chapter 85, Paragraph 2302 (a)*), and winning chances may be determined only at those locations specified on the license;

F. Each raffle chance shall have printed thereon the following:

1. The cost of said chance;
2. The aggregate retail value of all prizes to be awarded in said raffle;
3. The maximum number of raffle chances to be issued;
4. The date(s), time(s) and location(s) on or at which winning chances will be determined.

However, which raffle chances are sold, conveyed, issued or otherwise transferred only at the time and location at which winning chances will be determined and only to persons then in attendance, the face of the raffle chance need not contain such information.

G. No cash prize in excess of the maximum aggregate retail value of prizes for which proper license fee was paid may be awarded.

H. No real property, including land and any buildings thereon, may be the prize in a raffle unless the organization holding the raffle license owns fee simple title as to the entire subject real property.

I. No person under the age of eighteen (18) years may participate in the conducting of raffles or chances. A person under the age of eighteen (18) years may be within the area where winning chances are being determined only when accompanied by his parent or guardian.

J. No chance shall be sold, offered for sale, conveyed, issued, or otherwise transferred for value to or be any person under the age of eighteen (18) years without the permission of his parent or guardian.

Notwithstanding the foregoing, any person may make a gift of a chance to any person of any age.

**XI. RAFFLES MANAGER - BONDS:** All operation of and the conduct of raffles shall be under the supervision of a single raffles manager designated by the organization.

The raffles manager shall give a fidelity bond, equal in amount to the aggregate retail value of all prizes to be awarded, in favor of the licensee, 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.

In addition to the above requirement, the licensee organization shall give a fidelity bond, equal in amount to the aggregate retail value of all prizes to be awarded, in favor of the County of McHenry, conditioned upon its honesty in the performance of the raffle. 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.

**XII. RECORDS:**

A. Each licensee shall keep records of its gross receipts, expenses, and net proceeds for each single gathering or occasion at which winning chances are to be 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 licensee, 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 licensee shall have separate records of its net proceeds from the operation of 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 licensee shall report within thirty (30) days after the conclusion of each raffle to its membership, and to the Liquor and License Committee, its gross receipts, expenses, and net

proceeds for raffles, and the distribution of net proceeds itemized as required herein.

D. Records required herein shall be preserved for three(3)years, and licensees shall make available their records relating to operation of raffles for public inspection at reasonable times and places.

**XIII. ENFORCEMENT:**

A. Penalties. Violation of this ordinance or any requirements or provisions therein is a Class C misdemeanor. Each day toe violation continues shall constitute a separate offense. Each member of the sponsoring organization shall be jointly and severally liable with the organization and with each other for any violation.

B. Abatement. The imposition of the penalties herein prescribed shall not preclude the State's Attorney from instituting appropriate action to prevent unlawful raffles or to restrain, enjoin, correct, or abate a violation of this ordinance or of the conditions of a raffle license issued pursuant hereto.

**XIV. RELATIONSHIP TO OTHER LAWS:**

A. Whenever regulations or restrictions imposed by this Ordinance are wither more or less restrictive than regulations or restrictions imposed by any governmental authority through legislation, rules or regulations, the regulations, rules or restrictions which are more restrictive or which impose higher standards or requirements shall govern.

B. The provisions of this Ordinance are severable. If any part, clause, or sentence of this Ordinance is declared invalid and unenforceable by a court of competent jurisdiction, then such declaration shall be limited to only the part, sentence, or clause declared to be invalid.

C. This Ordinance shall be in full force and effect after its enactment by the McHenry County Board in accordance with the provisions of law until repealed ;or amended by a subsequent McHenry

County Ordinance or Resolution or by a contrary  
federal or state statute, regulation, or rule.

Dated at Woodstock, Illinois this eighteenth day of  
August, 1992.

CHAIRMAN

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ANN S. HUGHES  
McHenry County Board

ATTEST:

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KATHERINE C. SCHULTZ, County Clerk