

**CITY OF MORRIS
GRUNDY COUNTY, ILLINOIS**

ORDINANCE NO. 4198

**AN ORDINANCE REGARDING
CREATING SECTION 9.14.015 OF THE MORRIS MUNICIPAL CODE REGULATING RAFFLES
AND AMENDING SECTION 9.14.010 OF THE MORRIS MUNICIPAL CODE REGARDING
GAMBLING**

**PASSED AND APPROVED BY THE MAYOR AND ALDERMEN
OF THE CITY OF MORRIS THIS 5th DAY OF SEPTEMBER, 2017**

Published in Pamphlet Form by
the authority of the Mayor and
Aldermen of the City of Morris,
Grundy County, Illinois, this 5th
day of September, 2017.

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**ORDINANCE CREATING SECTION 9.14.015 OF THE MORRIS MUNICIPAL CODE
REGULATING RAFFLES AND AMENDING SECTION 9.14.010 OF THE MORRIS
MUNICIPAL CODE REGARDING GAMBLING**

WHEREAS, a municipality “may” regulate raffles within its corporate boundaries pursuant to the Illinois Raffles and Poker Runs Act (230 ILCS 15/0.01 et seq.);

WHEREAS, although the City of Morris has not regulated raffles in the past, the Judiciary and License Committee has determined that the adoption of this ordinance to regulate raffles within the City of Morris will promote the health, safety and welfare of the inhabitants of the City of Morris;

WHEREAS, the Illinois Raffles and Poker Runs Act has established minimum standards which municipalities must impose in connection with an ordinance regulating raffles, and the City of Morris has incorporated those standards herein;

WHEREAS, regulating raffles within the City of Morris is a valid exercise of municipal police powers by the Morris City Council (65 ILCS 5/11-1-1).

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MORRIS, GRUNDY COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. The above recitals constitute the findings of the Morris City Council and are hereby restated and incorporated into the body of this ordinance as though fully set forth herein.

Section 2. That Chapter 9.14 of the Morris Municipal Code is hereby amended, and Section 9.14.015 is hereby created to regulate raffles within the City of Morris. Section 9.14.015 shall read as follows:

A. DEFINITIONS:

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

Business means a voluntary organization composed of individuals and/or businesses who have joined together to advance commercial, financial industrial, and civic interests.

Charitable organization 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 upon the public.

Educational organization 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 organization means an organization of persons having a common interest, the primary interest of which is both to 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.

Labor organization means 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.

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

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 organized, operated, and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of said operation.

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

Raffle means a form of lottery, as defined in 720 ILCS 5/28-2(b), conducted by an organization licensed under this Code 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 as a 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 the publicly exhibited sporting contest.

Raffle Administrator(s) means the Morris City Clerk or the Judiciary & License committee of the City of Morris.

Raffle event means an event at which at least one (1) raffle is conducted by an organization that holds a raffle issued under this Code.

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

Veteran's organization means an organization or association comprised of members of which substantially all are individuals who are veteran's, 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.

B. CLASSIFICATION OF LICENSES:

- (1) Class A: General raffle license. A general raffle license shall permit an organization the ability to conduct a raffle that may include multiple drawings to award prizes, but all drawings must occur on the same day and at the same location and within the confines of the same raffle event.
- (2) Class B: Financial hardship raffle license. A Class B raffle license allows a not-for-profit fund raising organization or group, organized for the sole purpose of providing financial hardship assistance to an identified individual or group of individuals suffering severe financial hardship as a result of an injury, disability, accident, or disaster, to conduct one raffle event for that purpose.
- (3) Class C: Annual raffle license. An Annual raffle license permits an organization to regularly conduct raffles as defined herein within twelve (12) consecutive calendar months. Such license shall permit no more than fifty-two (52) raffle events per year.

C. LICENSE REQUIRED:

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 City and in accordance with the provisions of this Code.

Such License, when issued, is effective for all areas within the City. Such license is not effective outside the City.

D. RAFFLE APPLICATION:

Any person seeking to conduct or operate a raffle shall file an application therefore with the City Clerk on forms provided by the City. Pursuant to the Illinois Raffles and Poker Runs Act, such 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, 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 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 its presiding officer and secretary;
- (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; and
- (13) A fidelity bond in an amount equal to the aggregate retail value of all prizes to be awarded shall accompany such application;

E. LICENSEE QUALIFICATIONS:

Raffle licenses shall be issued only to a bona fide religious, charitable, labor, business, fraternal, educational, or veterans' 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 had, during that entire five-year period, a bona fide membership engaged in carrying out their objectives or to a nonprofit 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. The following are ineligible for any raffle license:

- (1) Any person who has been convicted of a felony;
- (2) Any person who is or has been a professional gambler or gambling promoter;
- (3) Any person who is not of good moral character;
- (4) Any organization in which a person defined in subsection (1), (2), or (3) of this section has a proprietary, equitable, or credit interest or in which such person is active or employed;
- (5) Any organization in which a person defined in subsection (1), (2), or (3) of this section is an officer, director, or employee, whether compensated or not; and
- (6) Any organization in which a person defined in subsection (1), (2), or (3) of this section is to participate in the management or operation of a raffle as defined in this section.

F. LICENSE ISSUANCE:

- (1) The City Clerk shall receive all license applications. If an application is approved, the City Clerk shall forthwith issue a raffle license to the applicant.
- (2) A Class A and B raffle license shall be valid for a period of sixty (60) days from and after its issuance. In no event shall a Class C license be authorized for a period longer than one (1) year.
- (3) A raffle license shall contain the following:
 - (a) The area in which raffle chances will be sold or issued;
 - (b) The period of time during which raffle chances will be sold or issued;
 - (c) The date, time, and location on or at which the winning chances will be determined.
- (4) Such license shall be prominently displayed at the time and location of the determination of the winning chances.
- (5) A license may be suspended or revoked for any violation of this Code

G. LICENSING FEES:

A license fee of \$5.00 shall be payable to "City of Morris" upon submission of a Class A and B raffle application. A license fee of \$10.00 shall be payable to the "City of Morris" upon submission of a Class C raffle application. When application for a raffle license is filed, such application fee is nonrefundable, even if the application is denied or in the event the raffle is cancelled for any reason.

H. CONDUCT OF RAFFLES:

The operation and conduct of raffles are subject to the following restrictions:

- (1) The entire net proceeds of any raffle must be exclusively devoted to the lawful purpose of the licensee.
- (2) No person, except a bona fide member of the licensee may participate in the management or operation of the raffle.
- (3) No person may receive remuneration or profit for participating in the management or operation of the raffle.
- (4) A licensee may rent a premises in which to determine the winning chances in a raffle only from an organization which is also licensed under this section.
- (5) Raffle chances may be sold, offered for sale, conveyed, issued, or otherwise transferred for value only within the area specified on the license; and the winning chances may be determined only at the location specified on the license.
- (6) 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 or her parent or guardian.
- (7) The aggregate retail value of all prizes awarded in a single raffle shall not exceed \$2,500,000.00 and the retail value of any one prize awarded in a single raffle shall not exceed \$2,500,000.00.
- (8) The maximum price which may be charged for each raffle chance sold, offered for sale, conveyed, issued, or otherwise transferred for value shall not exceed \$1,000.00.

I. RAFFLES MANAGER - FIDELITY BOND:

The operation and conduct of a raffle shall be under the supervision of at least one raffle manager designated by the licensee. The manager(s) shall give a fidelity bond equal to the amount to the aggregate retail value of all prizes to be awarded, and the bond shall be conditioned upon honesty in the performance of his or her duties. The terms of the bond shall provide that notice shall be given in writing to the City not less than thirty (30) days prior to its cancellation.

J. RECORDS TO BE KEPT:

- (1) Each licensee shall keep records of its gross receipts, expenses, a list of names of prize winners, and net proceeds for each raffle event at which winning chances are determined. All deductions 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.
- (2) Each licensee shall file its records and report with the City Clerk within thirty (30) days following the conclusion of the raffle.
- (3) Gross receipts from the operation of raffles shall be segregated from other revenues of the licensee 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 of Illinois, and placed in a separate account. Each licensee shall keep 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 the other revenues of the licensee.
- (4) Each licensee shall report to its membership and to the City its gross receipts, expenses, and net proceeds from the raffle and the distribution of net proceeds itemized as required herein. If a license is valid for more than thirty (30) days, the report shall be made monthly.
- (5) Raffle records shall be preserved by each licensee for three (3) years, and organizations shall make their records available relating to the operation of raffles for public inspection at the reasonable times and places.

K. PENALTY:

Failure to comply with any of the requirements of this Code shall constitute a violation, and any person shall, upon conviction thereof, be fined not less than \$75.00 nor more than \$750.00 for each offense. Each day in which a violation continues shall be considered a separate offense.

Section 3. Section 9.14.010 of the Morris Municipal Code is hereby amended to include paragraph "F" and shall hereafter read as follows:

F. Notwithstanding the above, the prohibitions provided for in this chapter and any other chapter of the Morris Municipal Code that may reference or govern participation in raffles shall not apply to any person, firm or corporation conducting a raffle in full compliance with Section 9.14.015 of the Morris Municipal Code and the Illinois Raffles and Poker Runs Act (230 ILCS 15/0.01 et seq.).

Section 4. In the event any section, paragraph, sentence clause or phrase of this ordinance is declared invalid or unconstitutional, the remainder of the ordinance shall not be affected thereby and shall remain in full force and effect.

Section 5. Any ordinances or resolutions inconsistent with the terms and provisions hereof are hereby repealed and revoked to the extent of any such inconsistency.

Section 6. This ordinance shall be effective from and following its passage, approval and publication as required by law.

Section 7. The Morris City Clerk is hereby authorized and directed to publish a true and correct copy of this ordinance in pamphlet form for a period of not less than ten (10) days, and shall complete a Certificate of Posting consistent therewith.

PASSED AND APPROVED THIS 5th DAY OF SEPTEMBER, 2017.

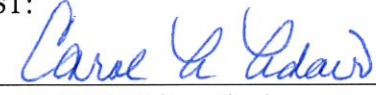
Ayes 8
Nays 0
Pass 0
Absent 0

(SEAL)



RICHARD P. KOPCZICK, Mayor

ATTEST:



CAROL ADAIR, City Clerk