

Chapter 29, Ord. 646, 727
LICENSES AND PERMITS

ARTICLE 1
RAFFLES

- 29.1 Definitions
- 29.2 Clerk Designated License Officer
- 29.3 Duties of Village Clerk
- 29.4 When Fee Payable
- 29.5 Termination of Licenses
- 29.6 Authority for Issuance; Applicability
- 29.7 License Required
- 29.8 Application for License
- 29.9 License Fees
- 29.10 Restrictions on Issuance of Licenses
- 29.11 Conduct of Raffles
- 29.12 Raffle Manager; Bond
- 29.13 Raffle Tickets
- 29.14 Prizes
- 29.15 Records
- 29.16 Video Gaming

29.1 DEFINITIONS

As used in this Chapter, the following words shall have the meanings hereafter ascribed to them:

Auxiliary or Affiliates. Whenever used in this Chapter, the word “organization” shall include an auxiliary or affiliate of the licensee.

Business. A voluntary organization composed of individuals and businesses who have joined together to advance the commercial, financial, industrial and civil 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 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 inuring to anyone as a result of the operation.

Raffle. A form of lottery, as defined in 720 ILCS 5/28-2 conducted by an organization licensed under this Chapter in which:

- (a) 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;
- (b) 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 who are substantially veterans and spouses, widows or widowers of veterans, the primary purpose of which is to promote the welfare of its membership and to provide assistance to the general public in such a way as to confer a public benefit.

29.2 CLERK DESIGNATED LICENSE OFFICER

In the absence of specific provisions to the contrary, the Village license officer shall be the Village Clerk and she shall collect all license fees and issue all licenses in the name of the Village, to all persons qualified under the provisions of this Code.

29.3 DUTIES OF VILLAGE CLERK

The Village shall promulgate and enforce all reasonable rules and regulations necessary to the operation of license and permit issuance and enforcement; the Village Clerk shall adopt all forms and may require affidavits pertaining to information given on such forms; shall submit such applications as require investigation or compliance with specific ordinances to such employees or officials of the Village as shall have jurisdiction thereof and shall notify applicants of the acceptance or rejection of the applications submitted, or revocation of licenses or permits.

29.4 WHEN FEE PAYABLE

In the absence of provisions to the contrary, all fees and charges for licenses or permits shall be paid in advance at the time application therefore is made to the Village Clerk.

29.5 TERMINATION OF LICENSES

All annual licenses shall terminate on the last day of the fiscal year of the Village, where no provision to the contrary is made.

29.6 AUTHORITY FOR ISSUANCE; APPLICABILITY

The Office of the Village Administrator shall have the authority to issue licenses for raffles subject to the limitations set forth herein. Nothing in this Chapter shall be construed to authorize the conducting or operating of any gambling scheme, enterprise, activity or device other than a raffle provided for herein.

29.7 LICENSE REQUIRED

A. It shall be unlawful for any person, firm or corporation to conduct raffles or chances within the Village of Prairie Grove unless the person, firm or corporation has a valid license issued in accordance with the provisions of this Chapter.

B. Licenses shall be issued only to bona fide religious, business, charitable (501 3c), 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 (5) 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 objectives; or to a nonprofit fund-raising organization that the Village of Prairie Grove 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.

C. A license issued by the Village of Prairie Grove shall authorize the sale of raffle chances for a drawing to be held only within the corporate Village limits of the municipality.

D. The Office of the Village Administrator shall act on a raffle license application within fourteen (14) days from the date of application receipt.

E. In the event a license is denied, the applicant shall have the right upon written receipt to appeal the decision to the Village President and Village Board at the next regularly scheduled Village Council meeting.

F. The Village Administrator or his/her designated representative may revoke any licenses issued by the Village of Prairie Grove if it is determined that the licensee has violated any provision of this Chapter.

29.8 APPLICATION FOR LICENSE

Applications for such licenses shall be made in writing on the forms provided to the Office of the Village Administrator, signed by the applicant or its duly authorized representatives. Each license and application for license shall contain the following information:

- A. The name and address of the applicant;
- B. The area within the Village of Prairie Grove in which the raffle chances will be sold and issued;
- C. The time period during which raffle chances will be sold or issued;
- D. The date, time, manner and location(s) of determining the winning chances;
- E. A sworn statement attesting to the not-for-profit character of the respective licensee organization signed by the presiding officer and secretary of that organization;
- F. A copy of the applicant's not-for-profit articles of incorporation and/or charter;
- G. Such other information as the Office of the Village Administrator may require under the authority of this Chapter or 230 ILCS 15; and
- H. Each license issued under this article shall be valid for a single raffle, or a specified number of raffles to be conducted during a specific period not to exceed one (1) year.

29.9 LICENSE FEES

Raffle License Fees shall be \$100 for each Raffle event drawing.

29.10 RESTRICTIONS ON ISSUANCE OF LICENSES

No such license shall be issued to:

- 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. A person whose license issued under this Chapter has been revoked for cause;
- E. A person who, at the time of application for renewal of any license issued hereunder would not be eligible for such license upon a first application;

F. Any firm or corporation in which a person defined in A, B or C, above, has a proprietary, equitable or credit interest, or in which such a person is active or employed;

G. Any organization in which a person defined in A, B or C, above, is an officer, director, or employee, whether compensated or not; or

H. Any organization in which a person defined in A, B or C, above, is to participate in the management or operation of a raffled as defined in this Code.

29.11 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. The maximum fee which may be charged for each raffle chance sold or issued shall not exceed one hundred dollars (\$100.00). All such fees shall be paid in currency, by check, or by credit card.

E. 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 chapter;

F. 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; and

G. A person under the age of 18 years may participate in the conducting of raffles or chances 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/her parents or guardian.

29.12 RAFFLE MANAGER; BOND

Operation and conduct of raffles shall be under the supervision of a single raffles manager designated by the organization making application for a license. The raffles manager shall file with the Office of the Village Administrator a fidelity bond in an amount not less than the anticipated gross receipts for the raffle. The bond shall be in favor of the organization and conditioned upon his/her honesty in the performance of duties. The bond shall also provide that notice be given in writing to the Village of Prairie Grove not less than thirty (30) days prior to its cancellation. The Village Administrator or his/her designated representative is authorized to waive the requirement

for a bond by including a waiver provision in the license issued, provided that the license containing such waiver provision shall be granted only by unanimous vote of the members of the licensed organization.

29.13 RAFFLE TICKETS

A. Each raffle ticket, chance or other raffle token shall state, on its face, the name and address of the licensee, the date or dates of the drawings, and the prize or prizes to be awarded; provided, however, that this requirement shall not apply to any raffle in which prizes in aggregate value under fifty dollars (\$50.00) are awarded, or to any raffle in which raffle chances are sold only on the date of the drawing during the event at which the drawing is to be conducted. No such ticket, chance or token shall be sold or issued more than one hundred eighty (180) days before the determination of the winning chance or chances.

B. If any raffle for which a license is issued under this Chapter is canceled, or if any such raffle is not conducted on the date contained in the application for license, the licensee shall refund all money paid for any raffle chances issued or sold to the persons to whom such raffle chances were issued or sold within forty-five (45) days after the date on which the raffle was to be conducted or within forty-five (45) days after cancellation of the raffle, whichever is sooner.

29.14 PRIZES

A. The maximum cash prize awarded in any raffle shall be two hundred fifty thousand dollars (\$250,000).

B. The maximum retail value of a noncash prize awarded in any raffle shall be one hundred thousand dollars (\$100,000).

C. The aggregate value of all prizes awarded in a single raffle shall not exceed three hundred fifty thousand dollars (\$350,000).

29.15 RECORDS

A. Each organization licensed to conduct raffles 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 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 a 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 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. Each organization licensed to conduct raffles shall report within ten (10) days to the Village of Prairie Grove its gross receipts, expenses and net proceeds from the raffle, and the distribution of net proceeds as required by this Chapter. This information shall be reported using the “Not-for-Profit Raffle License Audit Information” form as provided.

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

29.16 VIDEO GAMING

See Section 14.28 of the Village Code.

Z:\P\PrairieGroveVillageof\Code\Chapter29Jan2024.docx