

ORDINANCE NO. 19-_____

AN ORDINANCE AMENDING TITLE 3 (BUSINESS AND LICENSE REGULATIONS), CHAPTER 4 (AMUSEMENTS), ARTICLE A (RAFFLES), SECTION 1 (DEFINITIONS), SECTION 3 (LICENSE REQUIRED), SECTION 4 (APPLICATION FOR LICENSE), SECTION 5 (LICENSE FEES), SECTION 6 (RESTRICTIONS ON LICENSEES), SECTION 7 (CONDUCT OF RAFFLES), SECTION 8 (RAFFLE MANAGER; BOND), SECTION 9 (RAFFLE TICKETS) AND SECTION 11 (RECORDS) OF THE NAPERVILLE MUNICIPAL CODE

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS, in exercise of its home rule powers that:

SECTION 1: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 1 (Definitions) of the Naperville Municipal Code is hereby amended by adding the underlined language as follows:

3-4A-1: - DEFINITIONS: Whenever used in this Article, the following words shall have the meanings hereafter ascribed to them:

AUXILIARY OR AFFILIATES	Whenever used in this Chapter, the word "organization" shall include <u>an auxiliary or affiliate of a licensee.</u>
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CHARITABLE through FRATERNAL * * *

<u>KEY LOCATION</u>	<u>Location where the winning chances in the raffle are determined.</u>
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LABOR * * *

<u>NONPROFIT OR NOT FOR PROFIT:</u>	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.
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RAFFLE * * *

SECTION 2: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 3 (License Required) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

3-4A-3: - LICENSE REQUIRED: No person or organization shall conduct a raffle ~~or sell chances for a raffle in which~~ the City is a key location without first having obtained a license pursuant to this Article. Licenses for raffles shall be issued only to the following:

1. ~~Bona fide religious, charitable, labor, business, fraternal, educational, or veterans, or other bona fide not-for-profit~~ organizations which operate without profit to their members, which have been in existence continuously for a period of five (5) years immediately before making application for a license and have ~~had~~ during that entire five-year period been a bona fide membership engaged in carrying out their objects;
2. A nonprofit fundraising organization that 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 disaster;
3. Law enforcement agencies and statewide associations that represent law enforcement officials; or, and which maintain an office in the City. A license issued by the City shall authorize the sale of raffle chances only within the borders of the City. The City Clerk shall act on a license application within thirty (30) days from the date of application.
4. Any other organization authorized to receive a raffle license in accordance with the Raffles and Pokers Runs Act, 230 ILCS 15/, as amended.

SECTION 3: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 4 (Application for License) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

3-4A-4: - APPLICATION FOR LICENSE:

Application for a license shall be made in writing on forms provided by the City Clerk's office. Each license and application for license shall contain the following information:

1. * * *
2. ~~The area within the City in which the raffle chances will be sold and issued;~~
3. The time period during which raffle chances will be sold or issued;
4. The date, time, manner and location(s) of determining the winning chances;

- 54. A sworn statement attesting to the nonprofit character of the applicant signed by its presiding officer and secretary;
- 65. A copy of the applicant's articles of incorporation and/or charter; and
- 76. Such other information as the City Clerk's office may require.

The City Clerk shall act on a license application within thirty (30) days from the date of application. Each license issued under this Article shall be valid for one raffle and may be suspended or revoked for any violation of this Article or the State Raffles and Pokers Runs Act (230 ILCS 15/1), as amended.

SECTION 4: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 5 (License Fees) of the Naperville Municipal Code is hereby amended by adding the underlined language as follows:

3-4A-5: - LICENSE FEES:

Each raffle must be authorized by a separate license, and must be conducted in accordance with this Article. The fee for each license shall be twenty-five dollars (\$25.00). The fee for a raffle license may be waived by an affirmative vote of the City Council. Each raffle license shall be valid for the duration of the contest, not to exceed one year.

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SECTION 5: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 6 (Restrictions on Licensees) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

3-4A-6: - RESTRICTIONS ON LICENSEES:

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1. Any person whose ~~has been convicted of a felony~~ conviction will impair the person's ability to engage in the licensed position;
2. Any person who is or has been a professional gambler or professional gambling promoter;

3. * * *

4. Any ~~firm or corporation~~ organization in which a person defined in Subsection 3-4A-6.1, 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 3-4A-6.1, 2, or 3 of this Section is an officer, director, or employee, whether compensated or not; and
6. * * *

SECTION 6: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 7 (Conduct of Raffles) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

3-4A-7: - CONDUCT OF RAFFLES:

1. * * *
- 1.1. * * *
- 1.2. No person except a bona fide director, officer, employee, or member of the sponsoring organization may participate in the management or operation of the raffle.
- 1.3. No person may receive any remuneration or profit for managing or participating in the management or operation of the raffle. Sponsoring organizations may contract with third parties who, acting at the direction of and under the supervision of the sponsoring organization, provide bona fide services to the sponsoring organization in connection with the operation of a raffle and may pay reasonable compensation for such services. Such services include the following: (a) advertising, marketing and promotion; (b) legal; (c) procurement of goods, prizes, wares and merchandise for the purpose of operating the raffle; (d) rent, if the premises upon which the raffle will be held is rented; (e) accounting, auditing and bookkeeping; (f) website hosting; (g) mailing and delivery; (h) banking and payment processing; and (i) other services relating to the operation of the raffle.
- 1.4. * * *
- 1.5. A licensee may rent a premises on which to determine the winning chance or chances in a raffle provided that the rent is not determined as a percentage of receipts of profits from the raffle. only from an organization which is also licensed under this Article.
- 1.6. Raffle chances may be sold ~~or issued only within the area specified on the license and~~ throughout the State, including beyond the borders of the

licensing municipality or county. ~~w~~Winning chances may be determined only at those locations specified on the license.

1.7.

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2. A sponsoring organization shall be responsible for costs incurred by the City, including but not limited to reasonable personnel costs and for any damage to public property whenever the City determines that City resources may or must be allocated, deployed, or used in connection with any drawing in a raffle of the sponsoring organization. The applicant shall be responsible for payment of said bill in full within the timeframe specified on the bill. If such payment is not made in full in a timely manner, the City Attorney may be requested by the City Manager to take or direct the necessary legal action to obtain such payment. The reasonable costs and attorney's fees resulting from such action may be added to the amount due and owing by the applicant. Failure to timely pay bills for charge back services may result in denial of future permits to the applicant's organization.

23.The City Manager, or his or her designated agent, may publish rules and regulations consistent with this Article or Illinois law governing the conduct of raffles licensed hereunder.

SECTION 7: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 8 (Raffle Manager; Bond) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

3-4A-8: - RAFFLE MANAGER; BOND:

All management, operation of and the conduct of raffles shall be under the supervision of a single raffles manager designated by the organization. The manager shall give a fidelity bond in the sum of an amount determined by the City in favor of the organization 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 City not less than thirty (30) days prior to its cancellation.

SECTION 8: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 9 (Raffle Tickets) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

3-4A-9: - RAFFLE TICKETS:

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.~~

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SECTION 9: Title 3 (Business and License Regulations), Chapter 4 (Amusements), Article A (Raffles), Section 11 (Records) of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

1.-2. * * *

3. 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 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.

4. Each organization licensed to conduct raffles shall report monthly to its membership or, if the organization does not have members to its governing board, and to the City, its gross receipts, expenses and net proceeds from raffles, and the distribution of net proceeds itemized as required in this Section. Such reports shall be filed with the City Clerk on the fifteenth day of each month.

SECTION 10: This Ordinance shall be in full force and effect upon its passage and approval.

PASSED this _____ day of _____, 2019.

AYES:

NAYS:

ABSENT:

APPROVED this _____ day of _____, 2019.

Steve Chirico

Mayor

ATTEST:

Pam Gallahue, Ph.D.
City Clerk