

**Illinois Department of Revenue
Regulations**

Title 86 Part 435 Section 435.130 Supplier's License

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 435
CHARITABLE GAMES ACT**

Section 435.130 Supplier's License

- a) *In General. No person shall sell, lease, lend, distribute or otherwise provide to any organization licensed to conduct charitable games events in Illinois any charitable games equipment, without having first obtained a supplier's license to do so from the Department except as provided in subsection (h) (Section 6 of the Act).*

- 1) *No licensed supplier under the Act shall lease, lend, or distribute charitable gaming equipment, supplies, or other devices to persons not otherwise licensed to conduct charitable games under the Act (Section 6 of the Act). To ensure that the organization to whom equipment is sold, leased, lent or distributed is licensed for charitable gaming, the supplier shall obtain from the organization and retain among his or her books and records a copy of the organization's license showing the license number, expiration date and event date for which the equipment was sold, leased, lent, or distributed.*
 - A) *All charitable games equipment shall be kept segregated and separate from any other products, materials or equipment that the supplier might own, sell or lease (Section 6 of the Act), and the supplier shall inform the Department of the exact location of the storage of all charitable games equipment in the supplier's possession.*

 - B) *No supplier shall sell, lease or distribute to any licensed organization any item of charitable games equipment not included on the list (or any amendments to the list) described in subsection (b)(1), nor shall any supplier sell, lease or distribute to any charitable games licensed organization any item of charitable games equipment at a price other than the price on file with the Department. Changes in price must be reported to the Department 30 days prior to the change.*

- C) Suppliers may deliver equipment to a licensed organization up to one day before the date of the scheduled event, if the contract with the licensed organization specifies an early delivery date. Delivery is authorized only when the supplier delivers the equipment to a secured location (e.g., a location where access is restricted to the licensed organization with whom the supplier has contracted).
- 2) A licensed organization may purchase charitable games equipment only from a person that possesses a valid supplier's license issued by the Department.
 - 3) A supplier's license shall not be issued to an ineligible organization.
 - 4) Unless extended as provided in this Section, an annual supplier's license shall be valid only for the one-year period beginning with the effective date stated on the license, and a triennial supplier's license shall be valid only for the three-year period beginning with the effective date stated on the license. However, as provided in Section 435.200, the Department may suspend or revoke a supplier's license prior to the expiration of the one or three year period.
 - 5) The Department may extend a supplier's license beyond the period for which the license is otherwise effective (but not to exceed one year), provided that an application for a license with respect to the period covered by the extension has first been submitted to the Department in accordance with subsection (b).
- b) Applications. Application for a supplier's license must be made on the form and in the manner provided by the Department, and must contain such information or documentation as the Department may require to show that the applicant is not an ineligible organization. Applications for an annual license must be accompanied by a nonrefundable license fee of \$500 in the form of a check or money order payable to the Illinois Department of Revenue. Applications for a triennial license must be accompanied by a nonrefundable license fee of \$1,500 in the form of a check or money order payable to the Illinois Department of Revenue.
- 1) Along with the application form, the applicant must submit a list of all charitable games equipment offered for sale, lease or distribution to any charitable games licensed organization, and the sales and/or rental price for all such equipment, including, if applicable, the price of equipment rented as part of a package deal.

- 2) Any change in officers or directors, or partners, members or stockholders owning at least 10% of the shares or interests of a licensed organization must be reported to the Department within 30 days after the change. If ownership of a licensed organization is changed, a new application must be submitted to the Department (e.g., a corporate licensed organization is merged into a different corporation).
- c) Within 20 days after the end of any calendar quarter during which a supplier's license is in effect, the supplier shall file a return with the Department listing all sales and leases of charitable games equipment for such quarter, the gross proceeds derived from each such sale or lease, and the event dates for which equipment was sold, leased, lent or distributed.
- d) The following general provisions apply to all licensed suppliers:
 - 1) *A supplier shall not alter or modify any charitable games equipment, or possess any charitable games equipment so altered or modified, so as to allow the possessor or operator of the equipment to obtain a greater chance of winning a game other than as under normal rules of play of such games (Section 6 of the Act). Any charitable games equipment so altered or modified shall be confiscated by the Department.*
 - 2) *A supplier shall permit Department employees to enter the supplier's premises to inspect and test all charitable games equipment (Section 6 of the Act).*
 - 3) *A supplier shall not receive a percentage of the proceeds or admission fees from any charitable games event (Section 6 of the Act).*
 - 4) No employee, owner, partner, officer or agent of a supplier may recruit or provide volunteers for a licensed organization.
 - 5) *No employee, owner, partner, officer, or agent of a supplier may participate in the management or operation of any charitable games event, even if the employee, owner or officer is also a member, volunteer, or employee of the charitable games licensee (Section 6 of the Act). The supplier may provide training classes and consulting service prior to the events, and it may have one representative present at the event to ensure its equipment is not damaged.*

- 6) *A supplier shall not have any interest, direct or indirect, in the business of any person, firm, or corporation licensed under the Act to provide premises for the conduct of charitable games (Section 6 of the Act).*
- 7) *A supplier may not promote or solicit a charitable games event on behalf of a charitable games licensee or qualified organization (Section 6 of the Act). For instance, suppliers may not maintain or operate hotlines, websites or newsletters that advertise game dates or locations, nor may they recruit qualified organizations to host events.*
- 8) *No corporation, firm, agency or partnership, in which an owner, officer, partner, agent or employee of a supplier holds any interest, direct or indirect, shall promote, advertise, announce or solicit charitable games events on behalf of a charitable games licensed organization or qualified organization.*
- e) *A supplier shall permanently affix his name to all charitable games equipment, supplies and pull tabs he or she sells, leases or rents (Section 6 of the Act). The name shall be plainly visible to the public while any item of charitable games equipment is being used for the purpose for which it was intended at a charitable games event. The supplier's name shall be affixed to any box or other package containing unopened pull tab or break open tickets, and to any promotional cards, or "flares".*
- f) *Suppliers may not enter into agreements not to compete in certain geographic areas with other suppliers.*
- g) *A supplier shall keep books and records for the furnishing of charitable games equipment separate and distinct from any other business the supplier might operate (Section 6 of the Act). A supplier shall maintain all such books and records, including the documentation required by this Section, for a period of at least three years and must allow inspection of the books and records by agents or employees of the Department during reasonable business hours.*
- h) *Organizations licensed to conduct charitable games may own their own equipment. Such organizations must apply to the Department for an ownership permit. Any such application must be accompanied by a one-time, nonrefundable fee of \$50. Such organizations shall file an annual report listing their inventory of charitable games equipment. Such organizations may lend such equipment without compensation to other licensed organizations without applying for a supplier's license. (Section 6 of the Act) The one-time, nonrefundable fee of \$50 shall be in the form of a check or money order payable to the Department.*

(Source: Amended at 39 Ill. Reg. 4454, effective March 10, 2015)