

RAFFLES (Charitable Lotteries)

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A. Introduction

Raffles (charitable lotteries) are a charitable gaming activity or lottery scheme in which prizes are awarded based on a random draw of tickets purchased by players. In Alberta, raffles are conducted and managed by charitable or religious organizations that are licensed for that purpose by the Alberta Gaming and Liquor Commission.

This section discusses the background to raffles in the province. It provides key information related to raffle policies and an assessment of the current situation regarding raffles in Alberta.

Also provided are highlights of some key views and perspectives of adult Albertans regarding raffles obtained through public opinion research. The perspectives of stakeholders, obtained through consultations with them during the Gaming Licensing Policy Review, are also provided.

This section concludes with comments about operational matters that were identified during the Gaming Licensing Policy Review.

B. Background

Raffles are a lottery scheme in which prizes are typically awarded based on a random draw of tickets purchased by players. In Alberta raffles may only be conducted and managed by charitable or religious organizations that are licensed for that purpose by the Alberta Gaming and Liquor Commission.

Licences for raffles with a total ticket value of more than \$10,000 are issued directly by the Commission to charitable groups deemed eligible. Licences for raffles with a lesser total ticket value are, for the convenience of charitable organizations, issued by any of the private registry offices across Alberta to charities that have been registered by the Commission.

Non-profit organizations that do not qualify for a gaming licence as a charity may be eligible to conduct a small raffle under section 207(1)(d) of the *Criminal Code* (Canada). In this case, the total ticket value must be \$5,000 or less, the ticket price cannot exceed \$2 and the retail value of any prize may not exceed \$500.

The retail value of prizes must be at least 20% of the total ticket value.

In 2000-2001, the Commission issued an estimated 328 licences for raffles with a total ticket value of more than \$10,000. The licensed charities earned an estimated \$24.8 million in proceeds from these raffles.

Historical - Alberta

Following are some highlights from the history of raffles in the province over the past 20 years.

Large prize raffles were a significant development in raffles in 1983. The ticket prices of some raffles were \$50 and \$100.

In 1987, based on requests from charities, the Alberta Gaming Commission licensed Hockey Player Draft raffles. The raffles were initially limited to the 1988 National Hockey League playoffs.

In 1988, for the fourth consecutive year, the number of raffle licences issued to charities had decreased. Despite the decrease, the average raffle grew to \$8,581 in tickets sold from an average of \$5,221 in 1985. This was attributed to the growth in the number of large dollar value raffles, for example, car and house raffles.

In the face of declining interest by charities to conduct raffles, relative to other gaming activities, the Alberta Gaming Commission noted in 1989 three elements needed for a successful raffle: (1) prizes must be attractive to ticket buyers; (2) raffles must be well marketed to the public; and (3) larger raffles require volunteers committed to plan, organize and sell tickets.

In 1990, more licences were issued for raffles than any other kind of licence. Even so, they generated less gross revenue and net profit than any other type of activity. The Alberta Gaming Commission attributed this to the difficulty groups had selling tickets and competition from other forms of gaming.

In 1991-92, to help improve raffle ticket sales, the Alberta Gaming Commission approved the use of credit cards to purchase raffle tickets, allowed sports drafts to print entry forms in newspapers and removed the \$1 million maximum on total ticket sales.

In 1992, the number of licences issued increased to 3,112 from 2,822 the previous year and net profit increased to \$11.7 million from \$10.0 million.

In 1993-94, raffle profits were \$19.1 million, an increase of 64.2% from the 12 months ending December 31, 1992. A number of groups took advantage of the removal of the \$1 million cap to operate large raffles. Smaller raffles (under \$10,000) accounted for 88% of all raffle licences.

In 1995, the Lotteries Review Committee conducted hearings into the future of lotteries and gaming. The committee made the following recommendation about raffles:

The province should deregulate raffles under \$10,000 and raffles under \$500 should no longer require a licence. Municipalities should act as an agent for the Alberta Gaming and Liquor Commission, taking over licensing responsibility and charging minimal fees to cover their costs. The [Commission] should set guidelines and continue to have the right to inspect raffles. Organizations holding raffles should be required to file with the municipality a one-page disclosure statement indicating the winner(s) of the raffle.

In 1995-96, raffles with a total ticket value of \$10,000 or less were licensed through the 230 private registry offices throughout Alberta. Those with a higher total ticket value continued to be licensed by the Commission.

In July 1995, the Alberta Gaming and Liquor Commission amalgamated all liquor and gaming regulatory, enforcement and marketing agencies, including the Alberta Gaming Commission, the Gaming Control Branch, Alberta Lotteries and Gaming and the Alberta Liquor Control Board. In July 1996, the Alberta Gaming and Liquor Commission would be formally established in the *Gaming and Liquor Act* (Alberta).

From 1996 to 1997, the largest number of licences for raffles over \$10,000 in total ticket value were issued. It is believed the market may have reached saturation with larger scale raffles and a number of groups inexperienced with raffles conducted larger raffles for the first time. Those factors may have led to reduced sales from 1996 to 1997 and created difficulty for some groups to break even. For example, some raffles were conducted by charities at a net loss to them, some were cancelled and one was restructured to break even.

The licence terms and conditions for raffles over \$10,000 in total ticket value were amended in 1998 and the Commission's inspection of raffles increased to improve the likelihood of success in raffles. Changes included the requirement of charities conducting raffles with a total ticket value greater than \$100,000 to provide financial and security control plans that detail their specific procedures for the secure storage and handling of tickets and cash proceeds, securing prizes with an irrevocable letter of guarantee and monthly monitoring of major raffles by inspectors.

In June 1998, AADAC issued its second gambling and problem gambling prevalence research report, which indicated one of the gambling activities with the largest decrease in participation between 1994 and 1998 was charity-sponsored sports pools, a type of raffle (17% participation in 1994 and 8% in 1998).

The Lotteries and Gaming Summit, held in Medicine Hat in April 1998, recommended government be committed to the charitable gaming model. The government responded by committing to maintain the charitable gaming model.

C. Current Raffle (Charitable Lotteries) Policies

Criminal Code Requirements

Raffles are considered a “lottery scheme.” Raffles would be illegal if it were not for provisions of sections 207(1)(b) of the *Criminal Code* which state it is lawful for a charitable or religious organization

... pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;...

Section 207(1)(d) provides it is lawful for any person

... pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme at a public place of amusement in that province if

- (i) the amount or value of each prize awarded does not exceed five hundred dollars, and
- (ii) the money or other valuable consideration paid to secure a chance to win a prize does not exceed two dollars;... .

Section 207(2) of the *Criminal Code* allows a provincial authority to prescribe terms and conditions relating to the conduct, management and operation of licensed lottery schemes.

Gaming and Liquor Act (Alberta)

The *Gaming and Liquor Act* grants authority to the Commission to issue gaming licences and to impose conditions on those licences subject to the Lieutenant Governor in Council’s authorization to do so (s. 35).

The act also authorizes the Lieutenant Governor in Council to make regulations respecting conditions and eligibility requirements that must be met before a licence is issued or a person is registered (s. 126).

Gaming and Liquor Regulation (Alberta)

The *Gaming and Liquor Regulation* establishes the raffle licence, which “authorizes a lottery scheme in which tickets or prize bonds are sold for a chance to win a prize;...” (s. 19(c)).

Under section 20 of the regulation, only charitable or religious organizations are eligible for a raffle licence and must satisfy the board the proceeds from the gaming activity will be used for a charitable or religious object or purpose approved by the Board of the Commission.

The regulation establishes a class of registration of gaming workers that includes “raffle manager,” which authorizes a person to manage a raffle (i) where the sale price of all raffle tickets authorized to be sold exceeds \$10,000, or (ii) that involve prize bonds” (s. 25(c)).

Under the regulation a term of a gaming licence may be one or two years, as specified in the licence or registration (s. 29).

The raffle licence fees, to cover part of the administration costs, are as follows:

- no charge - total ticket value of \$10,000 or less;
- \$150 - total ticket value of more than \$10,000 and less than \$100,000;
- \$500 - total ticket value of \$100,000 or more and less than \$1 million; and
- \$1,000 - total ticket value of \$1 million or more.

Raffle (Charitable Lotteries) Terms & Conditions

The requirements for the conduct and management of raffles by licensed organizations are contained in two documents:

- *Raffle Ticket Terms & Conditions: Total Ticket Value More Than \$10,000* (licensed by the Commission) and
- *Raffle Ticket Terms & Conditions: Total Ticket Value \$10,000 or Less* (licensed through private registry offices).

The terms and conditions for raffles over \$10,000 are similar to those for raffles \$10,000 or less. Following are the key differences:

Table 11-1: Key Differences in Terms & Conditions for Raffles Under \$10,000 and Raffles Over \$10,000

RAFFLE FEATURE	TOTAL TICKET VALUE - MORE THAN \$10,000	TOTAL TICKET VALUE - \$10,000 OR LESS
Eligibility	<ul style="list-style-type: none"> • Group must be incorporated. Acceptable forms of incorporation include: <ul style="list-style-type: none"> • Societies Act; • Part 9, Companies Act; • Part II, Canada Corporations Act; • other Alberta statutes, as follows: <ul style="list-style-type: none"> • group controlled under School Act (except school councils, which are ineligible); and • group established under Regional Health Authorities Act to enhance hospital care for people in the community. • Charter from a recognized international governing body, for example, service club charter. 	<ul style="list-style-type: none"> • Legal incorporation is not required. • Special allowance given for a non-profit group that does not qualify as a charity to be eligible to conduct a small raffle. Criteria include: <ul style="list-style-type: none"> • group must have elected executive; group not eligible for any other gaming licence; • profits must be spent according to Commission guidelines; • total ticket value must be \$5,000 or less; ticket price cannot be more than \$2; retail value of prize cannot exceed \$500; • sales and draw must occur at "public place of amusement" such as hall, place, premise, room where amusement takes place; and • all other requirements of the Ts & Cs must be met.

RAFFLE FEATURE	TOTAL TICKET VALUE - MORE THAN \$10,000	TOTAL TICKET VALUE - \$10,000 OR LESS
Operation and Payment	<ul style="list-style-type: none"> • Raffle ticket manager must be registered. • Draft copies of ticket selling contracts and raffle management contracts must be provided with the raffle application for review by the Commission. • Contracts shall include a raffle business plan. • Raffle manager must provide monthly summary of raffle income and expenses to each licensee. • 50/50 draws and other percentage draws must have a record or control system. 	<ul style="list-style-type: none"> • No similar requirements.
Draw Procedures	<ul style="list-style-type: none"> • The draw can only be made by any person who does not own a ticket or a share of a ticket in the draw. 	<ul style="list-style-type: none"> • No similar requirement.
Prizes	<ul style="list-style-type: none"> • Group may be required by Board to guarantee raffle prizes (if required, an irrevocable letter of credit in favour of the Commission, equal to value of total prize package, must be submitted). 	<ul style="list-style-type: none"> • No similar requirement.
Financial Reports and Records	<ul style="list-style-type: none"> • Separate bank account required, with chequing privileges and monthly return of cancelled cheques. • Profits must be kept in the account until spent on approved uses. • Licensee must keep serial number record for the raffle, showing distribution of ticket stubs and cash or unsold tickets; to reconcile totals at conclusion of raffle. 	<ul style="list-style-type: none"> • No similar requirements.

Sports Drafts Terms and Conditions

It is estimated fewer than 5% of raffles in Alberta with a total ticket value of more than \$10,000 are sports draft raffles.

The terms and conditions for sports drafts are similar to those for raffles over \$10,000.

Following are the key differences:

1. The licensee must post a complete list of rankings, points and names of prize winners for viewing by contestants. The information has to be updated at least monthly for the regular season and at least biweekly for playoffs.
2. Under its own raffle rules, the licensee has to specify the following:
 - if any limit will be placed on the number of entries permitted per individual or household;
 - a date by which entries must be received by the licensee to be eligible;
 - how ties are resolved;
 - how contestants select players and make trades; and
 - how prizes are awarded.
3. The licensee can use corporate endorsements if any promotional material indicates profits raised are used for charitable purposes. The promotional material must clearly indicate the raffle is operated by the charity.

4. All sales of sport draft entry forms must cease by the third Friday after the regular season begins or, for a playoff draft, before the playoffs begin.
5. The licensee must submit with its application an operation plan that gives the following details:
 - procedures for the review of each sold entry form, to ensure compliance with draft rules;
 - procedure for notifying contestants as to the public location where information on rankings, points and prize winners can be viewed and when that information may be viewed; and
 - procedures for draft data entry, data system used and checks that will be used to confirm the accuracy of the information.
6. An outside firm may be used to post and verify standings.
7. Final prize winners' names and point standings shall be published in a local newspaper. To allow for any challenge to the standings, prizes cannot be awarded for two weeks after publication.

D. Current Situation Assessment

This current situation assessment deals exclusively with raffles having a total ticket value of \$10,000 or more.*

Gaming Revenue from Raffles: 1994 – 2000

In 2000-2001, raffles generated an estimated \$58.3 million in gross revenue. Over the past five years the gross revenues from raffles has fluctuated, but generally remained stable or flat.

The level of expenses for raffles has declined since 1996-97, a year when there was a dramatic increase in the expenses to run raffles over the previous year. This may also help explain the higher average levels of revenue per licence.

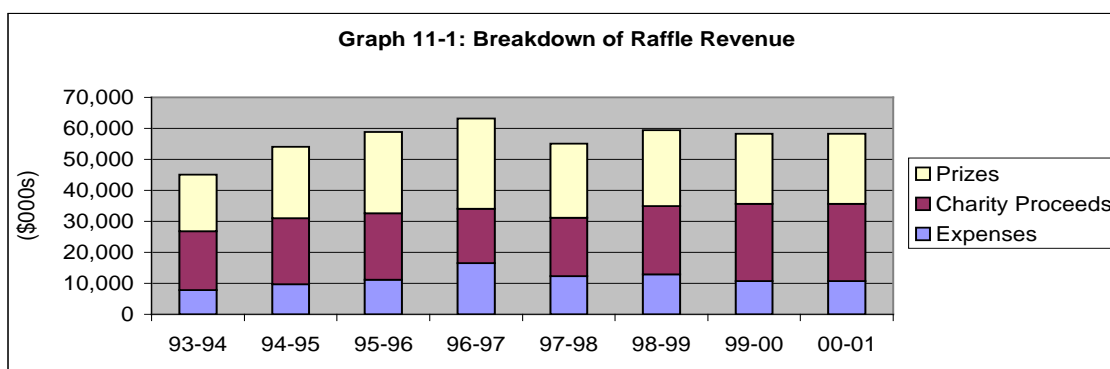
Chart 11-1: Raffle Revenues, Licences and Units Sold - 1993 to 1999-2001

Year	Gross Raffle Revenue (\$000)	Prizes (\$000)	Expenses (\$000)	Charity Proceeds (\$000)	Licences Issued	Avg. Proceeds per Licence (\$000)
00-01 ¹	58,331	22,712	10,770	24,849	328	\$ 75,759
99-00	58,331	22,712	10,770	24,849	328	\$ 75,759
98-99	59,423	24,463	12,861	22,099	345	\$ 64,055
97-98	55,085	23,971	12,390	18,724	373	\$ 50,198
96-97	63,237	29,135	16,575	17,527	472	\$ 37,133
95-96 ²	58,863	26,203	11,177	21,483	532	\$ 40,382
94-95	54,044	23,055	9,704	21,285	3,314	\$ 6,423
93-94	45,022	18,164	7,841	19,017	3,330	\$ 5,711

¹Estimated at time of publication

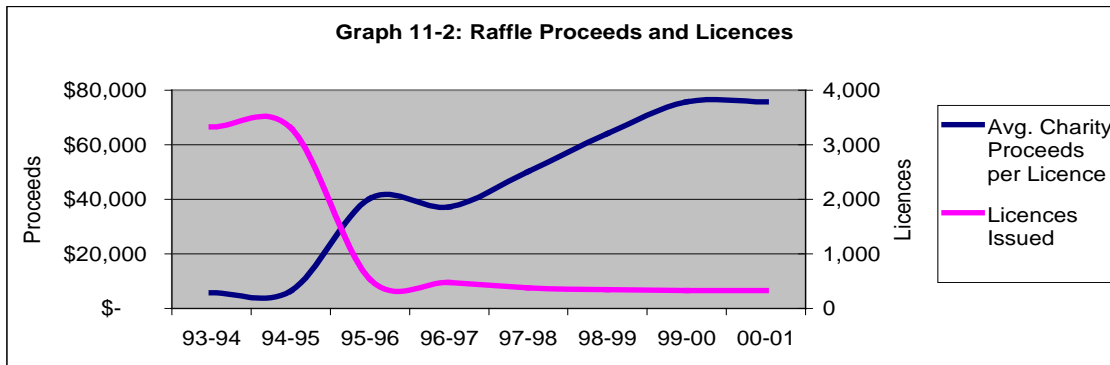
²Raffles with a ticket value under \$10,000 not included

The proceeds from raffles have increased by 16% from 1995-96 to 1999-2000. The average proceeds per raffle licence increased during the same period by 88%. Those increases coincided with a decrease of 38% in the number of raffle licences issued.



* Starting in 1995-96, the licences for raffles with a total ticket value of up to \$10,000 have been issued by private registry offices throughout the province as a convenience for charities to obtain raffle licences.

Over the past five years the overall charitable proceeds earned from raffles has been indirectly related to the number of licences issued. That is, as fewer licences were issued over this period a higher level of proceeds was generated.



Charities Benefiting From Raffles

The greatest number of raffle licences were issued to sports groups (27.4%), followed by service groups (19.8%), agricultural groups (12.2%), social action groups (11.9%) and foundations (10.4%). Each other category obtained fewer than 3% of raffle licences issued in the province.

Chart 11-2: Charities Benefiting from Raffles by Commission Category: 1999-2000

Charitable Category	Gross Raffle Revenue (\$000)	Licences	% Licences	Charity Proceeds (\$000)	% Total Proceeds	Avg. Proceeds per Licence
Foundation	26,910	34	10.4%	11,196	45.1%	\$329,294
Service	10,472	65	19.8%	3,680	14.8%	\$56,615
Sports	6,963	90	27.4%	3,148	12.7%	\$34,978
Agriculture	5,748	40	12.2%	2,917	11.7%	\$72,925
Social Action	3,197	39	11.9%	1,563	6.3%	\$40,077
Medicine/Health	1,508	9	2.7%	822	3.3%	\$91,333
Other	1,672	2	0.6%	705	2.8%	\$352,500
Arts	631	13	4.0%	299	1.2%	\$23,000
Recreation	315	10	3.0%	162	0.7%	\$16,200
Community	437	11	3.4%	156	0.6%	\$14,182
Education	208	7	2.1%	80	0.3%	\$11,429
Multiculturalism	159	4	1.2%	69	0.3%	\$17,250
Religious	66	3	0.9%	36	0.1%	\$12,000
Youth	45	1	0.3%	16	0.1%	\$16,000
Senior Citizens	0	0	0.0%	0	0.0%	\$0
TOTAL	58,331	328	100.0%	24,849	100.0%	\$75,759

The greatest share of raffle proceeds were earned by foundations (45.1%), service groups (14.8%), sports groups (12.7%) and agricultural groups (11.7%). The other categories each earned less than 7% of total proceeds.

Only three categories generated higher than the provincial average proceeds per licence of \$75,800. They were 'other' (groups that did not readily fall into one of the other 13 categories) at an average of \$352,500 in proceeds per licence, foundations at \$329,300 and medicine/health at \$91,000.

E. Landscape of Other Provinces

Table 11-2: Landscape of Raffles in Other Provinces – 1999/2000

JURISDICTION	NUMBER OF LICENCES / DIVISION OF REVENUE	TERMS & CONDITIONS	COMMENTS
<p>British Columbia</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> BC Gaming Commission</p>	<p><u>Licences issued:</u> Not available.</p> <p><u>Division of Revenue</u> <u>Charity Profit:</u> \$18.9 million</p> <p><u>Prizes Paid:</u> Not available.</p> <p><u>Expenses:</u> Not available.</p> <p><u>Raffle Types</u> Class A: \$10,000+ Class B: \$10,000 or less / calendar year.</p>	<p><u>Prizes:</u> Value of all prizes shall not be less than 20% of projected sales.</p> <p><u>Return to charity:</u> Minimum 30% of gross revenue must be used for approved purposes.</p> <p><u>Raffle Manager</u> <u>Commissions:</u> Not to exceed 10% of the price of each ticket sold.</p> <p><u>Expense limit:</u> None specified in Ts&Cs.</p>	<p><u>Minimum age:</u> winners under the age of 19 shall have their prize delivered to a legal guardian.</p> <p>No licensee shall conduct and manage more than three "A" license ticket raffles in a 12 mo. period.</p> <p>Applications must be submitted at least 12 weeks prior to the proposed event.</p> <p><u>Fee:</u> \$25 for B License</p>
<p>Alberta</p> <p><u>Conducted & Managed by:</u> Licensed charitable groups.</p> <p><u>Regulated & Licensed by:</u> Alberta Gaming and Liquor Commission.</p>	<p><u>Licences issued:</u> 342 licences issued.</p> <p><u>Division of Revenue</u> <u>Gross:</u> \$59.4 million</p> <p><u>Prizes Paid:</u> \$24.4 million</p> <p><u>Expenses:</u> \$12.8 million</p> <p><u>Charity Profit:</u> \$22.1 million</p>	<p><u>Prizes:</u> Minimum 20% of total ticket value.</p> <p><u>Return to charity:</u> Minimum 30% of total ticket value.</p> <p><u>Raffle Manager</u> <u>Commissions:</u> Maximum 5% of gross revenue from sold tickets.</p> <p><u>Expense limit:</u> As approved on application.</p>	<p><u>Minimum age:</u> 18</p> <p>AGLC licences raffles of \$10,000+.</p> <p>Private registry office licence raffles of \$10,000 or less.</p>
<p>Saskatchewan</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Saskatchewan Liquor and Gaming Authority.</p>	<p><u>Licences issued:</u> 1,361 licences issued;</p> <ul style="list-style-type: none"> • 701 Class L • 660 Class R <p><u>Division of Revenue</u> Not available.</p>	<p><u>Prize Categories</u> Class L: \$1,000+ Class R: up to \$1000</p> <p><u>Return to charity:</u> None specified in Ts&Cs.</p> <p><u>Raffle Manager</u> <u>Commissions:</u> None specified in Ts&Cs.</p> <p><u>Expense limit:</u> None specified in Ts&Cs.</p>	<p><u>Minimum age:</u> 18</p>

JURISDICTION	NUMBER OF LICENCES / DIVISION OF REVENUE	TERMS & CONDITIONS	COMMENTS
<p>Manitoba</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Manitoba Gaming Control Commission.</p>	<p><u>Licences issued:</u> 157 Licenses issued</p> <p><u>Division of Revenue</u> <u>Gross Rev.:</u> \$11.9 million</p> <p><u>Prizes Paid:</u> \$4.7 million</p> <p><u>Expenses:</u> \$2.2 million</p> <p><u>Charity Profit:</u> \$5.0 million</p>	<p><u>Prize Limits</u> Regular: up to \$125k. Major: \$125-500k 50/50: \$2,500 (50% of gross revenue).</p> <p><u>Return to charity:</u> None specified.</p> <p><u>Expense Limits</u> Regular raffle and 50/50: 10% of gross revenue</p> <p><u>Major Raffles:</u> 15% of gross revenue for major raffles.</p>	<p><u>Minimum age:</u> 18</p> <p><u>Fee:</u> Determined by the Commission.</p> <p>Limit of 4 major raffles (\$250k+) per year per license.</p> <p>Total value of tickets printed shall not exceed 12 times the retail value of the prizes to be awarded.</p> <p>All raffles over \$3,000 are licensed by MGCC.</p>
<p>Ontario</p> <p><u>Conducted & managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & licensed by:</u> Alcohol and Gaming Commission of Ontario.</p>	<p><u>Licences issued:</u> 185 licences issued</p> <p><u>Division of Revenue</u> <u>Net Revenue:</u> \$80 million</p> <p><u>Expenses:</u> not available</p> <p><u>Prize Payout:</u> not available</p> <p><u>Charity Profit:</u> \$52 million</p>	<p><u>Prize limit:</u> As approved on licence application.</p> <p><u>Return to charity:</u> None specified in Ts&Cs.</p> <p><u>Raffle Manager Commissions:</u> Maximum 5% of the price of each ticket sold.</p> <p><u>Expense limit:</u> Director may limit the expense amount.</p>	<p><u>Minimum age:</u> 18</p> <p>All raffles over \$50,000 are licensed by AGCO.</p>
<p>Quebec</p> <p><u>Conducted & Managed by:</u> Licensed & charitable organizations.</p> <p><u>Regulated & Licensed by:</u> RACJ</p>	<p><u>Licences issued:</u> 1,620 licenses issued.</p>	<p>Not available.</p>	<p><u>Minimum age:</u> Unconfirmed</p>
<p>Nova Scotia</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Nova Scotia Alcohol and Gaming Authority</p>	<p><u>Licences issued:</u> 1,185 Licenses issued 610 series 575 single</p> <p><u>Division of Revenue</u> <u>Charity Profit:</u> \$5.4 million <u>Prize Paid:</u> \$6.5 million <u>Expenses:</u> \$2 million <u>NS Gov't:</u> \$130k</p> <p>Figures include statistics for permits of lotteries with prizes under \$500, of which there were 4,504.</p>	<p><u>Prize limit:</u> As approved on application.</p> <p><u>Return to charity:</u> As approved on application.</p> <p><u>Raffle Manager Commissions:</u> As approved on application.</p> <p><u>Expense limit:</u> As approved on application.</p>	<p><u>Minimum age:</u> 19</p> <p><u>Fee:</u> 2% of the value of all prizes awarded.</p> <p>Guidelines in the process of being drafted.</p>

JURISDICTION	NUMBER OF LICENCES / DIVISION OF REVENUE	TERMS & CONDITIONS	COMMENTS
<p>New Brunswick</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated by:</u> Lotteries Commission of</p> <p><u>Licensed by:</u> Licensing Branch Department of Public Safety</p>	<p><u>Licences issued:</u> 386 Licenses issued</p> <p><u>Division of Revenue</u> <u>Charity Profit:</u> \$3.6 million <u>Prizes Paid:</u> \$3.1 million <u>Expenses:</u> \$1.5 million</p>	<p><u>Prize limit:</u> \$75,000</p> <p><u>Return to charity:</u> 15% of gross proceeds.</p> <p><u>Raffle Manager</u> <u>Commissions:</u> None specified in Ts&Cs.</p> <p><u>Expense limit:</u> None specified in Ts&Cs.</p>	<p><u>Minimum age:</u> 19</p> <p>Application must be received at least one month prior to the event.</p> <p>Fee: \$25 for events with total prizes value at \$500 or more.</p>
<p>Newfoundland & Lab</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Lotteries Licensing Branch Licensing Division Department of Justice</p>	<p><u>Licences issued:</u> 577 licenses issued</p> <p>Division of Revenue Charity Profit: \$3.6 million Prizes Paid: \$2.7 million Expenses: \$837k</p>	<p><u>Prize limit:</u> None specified in Ts&Cs.</p> <p><u>Return to charity:</u> 15% of gross proceeds.</p> <p><u>Raffle Manager</u> <u>Commissions:</u> Maximum 20% of gross receipts.</p> <p><u>Expense limit:</u> None specified in Ts&Cs.</p>	<p><u>Minimum age:</u> 19</p>
<p>Prince Edward Island</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Consumer Services Section Department of Community Affairs & Attorney General/</p>	<p><u>Licences issued:</u> 791 lottery scheme licenses issued – includes raffles, lotteries and casino nights.</p> <p>Breakout of raffle licences and revenue figures not available.</p>	<p><u>Prize limit:</u> None specified in Ts&Cs.</p> <p><u>Return to charity:</u> None specified in Ts&Cs.</p> <p><u>Raffle Manager</u> <u>Commissions:</u> None specified in Ts&Cs.</p> <p><u>Expense limit:</u> None specified in Ts&Cs.</p>	<p><u>Minimum age:</u> 18</p> <p><u>Fee:</u> 2% of total prize value awarded.</p>
<p>Yukon</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Department of Justice</p>	<p><u>Licences issued:</u> 104 licences issued</p>	<p><u>Prize limit:</u> \$5,000+ requires guarantee from financial institution.</p> <p><u>Return to charity:</u> Unconfirmed</p> <p><u>Raffle Manager</u> <u>Commissions:</u> Unconfirmed</p> <p><u>Expense limit:</u></p>	<p><u>Minimum age:</u> Unconfirmed</p>

JURISDICTION	NUMBER OF LICENCES / DIVISION OF REVENUE	TERMS & CONDITIONS	COMMENTS
<p>Northwest Territories</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Licensing Branch of Municipal and Community Affairs</p>	<p><u>Licences issued:</u> 36 Licences issued</p>	<p><u>Prize limit:</u> \$30,000+ requires ministerial approval.</p> <p><u>Return to charity:</u> Minimum 20%.</p> <p><u>Raffle Manager Commissions:</u> Unconfirmed</p> <p><u>Expense limit:</u> Unconfirmed</p>	<p><u>Minimum age:</u> Unconfirmed</p> <p>3 of 33 raffles territory-wide.</p>
<p>Nunavut</p> <p><u>Conducted & Managed by:</u> Unconfirmed.</p> <p><u>Regulated & Licensed by:</u> Consumer Affairs</p>	<p>Not available.</p>		

F. Summary of Findings – Public Views and Stakeholder Consultations

Stakeholder Consultations

The Gaming Licensing Policy Review process included obtaining the views and perspectives of the Alberta public, both players and non-players, and stakeholders. This summary of findings presents a snapshot of those views and perspectives focusing on raffles.

The findings are divided as follows:

- *Public* - The views and attitudes of adult Albertans about gaming activities in the province.
- *Stakeholders* - The views and perspectives of stakeholders. Stakeholders are either directly involved in the gaming industry, or indirectly involved through the services they provide or through some related experience or interest. Most stakeholders have knowledge of at least some of the gaming licensing policies currently in effect. Others will be fully aware of those licensing policies, in particular as they may apply to the gaming activity with which they are directly involved.

Public

In May 2000, during the Gaming Licensing Policy Review, the views and perspectives of adult Albertans were sought through public opinion research.

The research indicates most adult Albertans view raffles as the least harmful gaming activity. Most (79%) also feel the availability of raffles in the province should remain the same, while some believe there should be greater availability (14%) and others less availability (7%).

During the Licensing Policy Review, about 73% of adult Albertans surveyed indicated they were somewhat or well informed about where raffle proceeds go. Among gaming activities, this is the highest level of awareness as to where the proceeds go.

In addition, 96% of respondents believe proceeds from raffles go toward a good cause, higher than the response for all other gaming activities.

More than half of the respondents rely primarily on the newspapers to learn where proceeds from gaming in general go.

Respondents indicated they would like gaming proceeds in general (without any specific reference to raffles) to go to charities (34.9%), health care (29.1%), education and schools (23.2%) and community organizations (20.9%).

About 65% of adult Albertans said they bought raffle tickets over the past year and spent an average of about \$26.25 on raffles in the previous month. That compares to 67% of adult Albertans that reported playing in 1993 and spending an average of about \$8.50 in the previous month.

Stakeholders

Stakeholders were consulted in September and October, 2000, during the Gaming Licensing Policy Review. The consultations included interviews with representatives of stakeholder groups and a representative survey of charities in the province and gaming workers.

Industry Stakeholders

During the consultations, most industry members and charitable organizations indicated the availability of raffles in the province should remain at its current level and did not raise any concerns or issues regarding raffles.

Stakeholders support the charitable model of gaming in the province which includes raffles.

Advocacy Foundation

A public policy advocacy foundation held the province's charitable gaming model in high regard, believing it reinforces the integrity of the entire gaming industry in the province. This view about the charitable gaming model echoes the perspective of many other stakeholders.

G. Primary Issues and Recommendations

Process of Review

The first step in the licensing policy review process was to arrive at an initial assessment of current raffle licensing policies within the gaming licensing policy framework. Are raffle licensing policies clear, comprehensive and up to date?

The next step was to obtain the perspectives of stakeholders about those policies and gaming in Alberta generally. That step was followed by a review of stakeholder perspectives and determining whether there were any primary issues related to raffles.

Primary Issues

The licensing policy review identified no significant issues regarding raffles. No recommendations are being made specifically for raffles. The recommendations made earlier under the section “Gaming in General,” which apply to all gaming activities, would address raffles as well.

Changes that were implemented to raffle policies in 1998 have effectively ensured the continued integrity of raffles while providing charities the flexibility necessary to compete with other gaming activities.

During the licensing policy review, a few operational matters were identified. Those matters, which may be addressed through *Raffle Terms and Conditions*, include the following.

The use of electronic technology should be evaluated to efficiently track the licensing of raffles with a total ticket value of \$10,000 or less. This licensing occurs through private registry offices throughout the province. Private registry offices are automated and, due to the nature of their business, have access to the Internet. This operational matter is aimed at evaluating how electronic technology would help to simplify the work of private registry offices, which currently issue licences using a manual process, and allow them to cost-effectively transmit the raffle licensing information electronically to the Commission.

Require raffle managers be paid based on the number of raffle tickets sold. The value of the fee or commission paid to a raffle ticket manager should be related directly to raffle ticket sales rather than a raffle’s total ticket value, which may be an artificially inflated amount. Other provinces, such as Ontario and British Columbia, regulate the pay to a hired raffle manager based on a percentage of the price of each ticket sold. In Alberta, a raffle ticket manager may charge up to 5% of the total ticket value for raffles with a total ticket value of over \$10,000, regardless of the actual raffle ticket sales. Under this operational matter, the raffles policies could be improved by requiring that raffle ticket managers be compensated, for example, based on a fixed fee up to a maximum percentage of actual raffle ticket sales.