

PART 5. RAFFLE

R 432.21501 Definitions.

Rule 501. As used in this part:

(1) "Combination raffle" means a series of licensed raffle drawings, comprised of either large and small raffle licenses or all large raffle licenses, conducted over multiple drawing dates at 1 location, using 1 or more raffle tickets.

(2) "In-house raffle" means a licensed raffle where the raffle tickets are only sold during the time of the licensed gaming event and sold only at the location listed on the license.

R 432.21502 Raffles not requiring a license.

Rule 502. A qualified organization is exempt from obtaining a license to conduct a raffle if all of the following elements are present:

(a) All the raffle tickets are sold at the single gathering of the qualified organization.

(b) The drawing is conducted at the same single gathering where the raffle tickets are sold and prizes awarded.

(c) The total retail value of all the prizes does not exceed \$100.00 in a consecutive 24-hour period.

R 432.21503 Licensing requirements.

Rule 503. (1) A qualified organization applying for a raffle license shall meet the requirements of R 432.21204.

(2) All drawing locations shall be the same if a raffle license is issued for more than 1 date.

R 432.21504 Principal officer responsibilities.

Rule 504. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, prizes, raffle tickets, charity game tickets, numeral game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring the financial statement from the licensed gaming event is submitted to the bureau as prescribed by R 432.21522.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers and raffle ticket sellers are qualified to work the licensed gaming event.

R 432.21505 Raffle chairperson; qualifications and duties.

Rule 505. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

(4) The chairperson shall be familiar with the act, these rules, terms of probation, and directives of the bureau.

(5) The chairperson shall be present on the premises continuously during the occasion.

(6) The chairperson shall be readily identifiable to all raffle attendees by wearing a name badge with the word "Chairperson" followed by the name of the qualified organization and the chairperson's name.

(7) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(8) The chairperson shall attempt to resolve in accordance with the act, these rules, directives of the bureau, and house rules any disputes that may occur during the conduct of the licensed gaming event.

(9) Any change in the chairperson or persons who are listed on the raffle license application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

R 432.21506 Raffle ticket requirements.

Rule 506. (1) All raffle tickets, except those used for in-house raffles, shall contain at a minimum the following information printed in a clear and legible manner:

- (a) The name of the licensee.
- (b) The license number.
- (c) The word "raffle."
- (d) The date, time, and location of the drawing.
- (e) The price of the raffle ticket.
- (f) A unique sequential identification number on the raffle ticket and ticket stub.
- (g) The top prize or other information as directed by the bureau.
- (h) The stub of the ticket retained by the licensee shall contain a space for the purchaser's name, address, and phone number.

(2) The use of the terms "lotto" or "lottery" is prohibited on raffle tickets.

(3) A raffle ticket shall not be used that requires the removal of a covering material to determine if a ticket is a winner or is eligible to be a winner.

R 432.21507 Games.

Rule 507. (1) Authorized games at a large raffle include all of the following:

- (a) Raffles.
 - (b) In-house raffles.
 - (c) Charity game tickets.
 - (d) Numeral game tickets.
 - (e) Any other game approved in writing by the bureau.
- (2) Authorized games at a small raffle include all of the following:

- (a) Raffles.
- (b) In-house raffles.
- (c) Any other game approved in writing by the bureau.

R 432.21508 Alternative methods to determine winner.

Rule 508. (1) An alternative method of determining a winner may be used with the prior written approval of the bureau.

(2) The licensee shall post the house rules as prescribed by R 432.21510 at the licensed gaming event site before the start of the licensed gaming event notifying the public of the method used to conduct the raffle and determine the winner.

(3) If circumstances prevent the licensed gaming event from being conducted using the bureau approved alternative method, then the winner shall be determined by reverting back to a traditional raffle drawing on the scheduled date.

R 432.21509 Minimum age.

Rule 509. Raffle tickets shall only be sold to persons 18 years of age or older. This does not prohibit the purchase of a raffle ticket by a person who is 18 years of age or older for the purpose of making a gift to a person who is under the age of 18, and does not prohibit a person who is under 18 years of age from receiving a prize or prizes won in a raffle.

R 432.21510 House rules.

Rule 510. (1) The licensee shall establish and adhere to its house rules for the conduct of the raffle. At a minimum, the house rules shall contain all of the following information:

- (a) The licensee's name.
- (b) The license number.
- (c) The price of the raffle ticket.

(d) The method by which the winners will be determined and the raffle will be conducted.

(e) The contingency plan for inclement weather or other extenuating circumstances if the raffle or alternative raffle cannot be conducted as planned.

(f) The redemption claim period for charity game tickets as prescribed by R 432.21611(1)(c).

(g) The redemption claim period for numeral game tickets as prescribed by R 432.21709(1)(e).

- (h) The refund policy.
- (i) The effective date of the house rules.

(2) The licensee shall post the house rules in a conspicuous place or print the house rules in sufficient number for distribution to all interested persons.

(3) The house rules shall not be in conflict with the act, these rules, or directives of the bureau.

R 432.21511 In-house raffles.

Rule 511. (1) In-house raffles may be conducted if all of the following elements are present:

- (a) There is no sale of in-house raffle tickets before the occasion.
- (b) There is no sale of in-house raffle tickets outside of the gaming area during the licensed gaming event.

(2) A licensee shall establish and adhere to its house rules for the conduct of an in-house raffle as prescribed by R 432.21510.

- (3) A prize shall not be forfeited to the licensee.

(4) If any prize for an in-house raffle is not claimed, then the licensee shall do either of the following:

(a) Conduct another raffle during the time and date specified on the license, using the original pool of ticket stubs.

(b) With written approval of the bureau, donate the prize or prizes to a nonprofit organization with a charitable purpose as prescribed by R 432.21101(1)(b) if all of the following apply:

(i) The winning raffle ticket numbers have been publicly posted and readily available for 60 days.

- (ii) The prize has not been claimed for 60 days.

(iii) The licensee is using a bureau approved method of determining a winner provided by a licensed supplier.

R 432.21512 Real property raffles.

Rule 512. A qualified organization wishing to raffle real property shall provide the bureau with proof of clear title to the property in the name of the qualified organization.

R 432.21513 Raffle conduct and operation.

Rule 513. (1) Raffle drawings shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The raffle license shall be on site and posted in a conspicuous place during the raffle occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

(4) The licensee shall not participate in a raffle as a player although this subrule does not prohibit individual members of the licensed organization from purchasing raffle tickets. Raffle tickets shall not be purchased in the name of the licensee.

(5) Raffle drawings shall not be conducted during the bingo occasion at the location stated on the bingo license.

(6) Raffle drawings shall be open to any raffle ticket purchaser or authorized representatives of the bureau during the hours stated on the license.

(7) All winners shall be determined within the hours stated on the license.

(8) All ticket stubs sold shall be placed in the pool of ticket stubs from which the winners shall be drawn except as prescribed by R 432.21508.

(9) The winner or winners of a raffle shall be selected on a random basis and all participants shall be afforded an equal opportunity to win.

(10) The raffle receptacle shall be designed so that each ticket stub placed in the raffle receptacle has an equal opportunity to be drawn.

(11) The order that the winners will be determined shall be announced before the start of the drawing.

(12) Only 1 ticket stub shall be drawn at a time.

(13) If any raffle tickets are sold but the ticket stubs are turned into the licensee too late to be placed in the pool of ticket stubs, then the purchaser shall be issued a refund.

(14) Charity game tickets may be sold at a large raffle as prescribed by R 432.21601 to R 432.21624.

(15) Numeral game tickets may be sold at a large raffle as prescribed by R 432.21701 to R 432.21721.

R 432.21514 Raffle ticket sellers.

Rule 514. (1) Raffle ticket sellers may be nonmembers of the licensee.

(2) Raffle ticket sellers must be 18 years of age or older.

(3) Raffle ticket sellers in a licensed raffle, other than an in-house raffle, shall not be entitled to and shall not receive anything of value for their services except as prescribed by R 432.21517.

(4) Raffle ticket sellers in a licensed in-house raffle shall not be entitled to and shall not receive anything of value for their services except as prescribed by R 432.21516 and R 432.21517.

R 432.21515 Raffle prizes.

Rule 515. (1) All prizes shall be awarded.

(2) A winner need not be present to win except as provided by R 432.21511.

(3) The licensee shall make a diligent effort to locate the winners of all prizes.

(4) A prize shall not be forfeited to the licensee.

(5) Except for a raffle conducted under R 432.21511, any prize not claimed or for which the winner cannot be located within 60 days from the date of the raffle shall be distributed in accordance with one of the following methods:

(a) The licensee shall conduct another drawing using the original pool of ticket stubs.

(b) With prior written approval of the bureau, the licensee shall donate the prizes to a nonprofit organization with a charitable purpose as prescribed by R 432.21101(1)(b).

R 432.21516 Worker compensation.

Rule 516. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensees shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule, except as prescribed by R 432.21517.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson shall be paid not more than \$50.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$100.00 for his or her services.

(b) All other workers shall be paid not more than \$15.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for their services.

(5) Only 1 person may be paid as chairperson for each licensed gaming event.

(6) An individual may only be compensated for being either the chairperson or a worker.

(7) Compensation to workers includes, but is not limited to, any of the following:

(a) Cash or check.

(b) Anything of value.

(c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per licensed gaming event as prescribed by this rule.

(8) In addition to the compensation as provided by subrule (7) of this rule, workers may also receive food and beverages consumed while working that do not exceed \$10.00 in retail value.

(9) All worker compensation, other than credits, shall be paid on the day of the licensed gaming event.

(10) The names of the workers and amounts paid, including any credits as provided by subrule (7)(c) of this rule, shall be recorded on the workers service record for each day of the licensed gaming event or as directed in writing by the bureau.

(11) Any and all forms of worker compensation shall only be paid from the proceeds of the licensed gaming event or the financial account as prescribed by R 432.21519.

(12) All compensation shall be reported on the financial statement for the raffle or associated licensed gaming event.

R 432.21517 Raffle ticket seller's incentive prize.

Rule 517. (1) A raffle ticket seller's incentive prize may be awarded if the winner is determined by any of the following methods:

(a) The winner is the top raffle ticket seller.

(b) The winner sold the winning raffle ticket.

(c) The winner is determined by a drawing.

(d) The winner is determined by a method approved in writing by the bureau.

(2) The amount of the raffle ticket seller's incentive prize shall be included in the \$500.00 prize limitation for a small raffle.

(3) The raffle ticket seller's incentive prize shall be reasonable.

R 432.21518 Game records; retention.

Rule 518. (1) Game records pertaining to the licensed gaming event shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

(2) Game records and all documents supporting entries made in the records shall be available and on site at the occasion and at other times to authorized representatives of the bureau for review.

(3) Game records and all documents supporting entries made in the records shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau.

(4) Game records shall include, but are not limited to, all of the following:

(a) All winners by name and address and prizes won if valued over \$100.00. The list of winners shall be available to anyone upon written request to the qualified organization.

(b) The names and addresses of all persons receiving a raffle ticket seller's incentive prize and the amount.

(c) A copy of the current license application and any changes.

(5) The ticket stubs shall be retained until all prizes are awarded.

(6) Game records and all documents supporting entries made in the records may be removed by authorized representatives of the bureau for review.

(7) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

R 432.21519 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 519. (1) The licensee shall be accountable for all cash, prizes, raffle tickets, charity game tickets, and numeral game tickets.

(2) In accordance with the act, the entire net proceeds of the licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) Electronic transfers of funds derived from the conduct of the licensed gaming event shall be done in accordance with directives of the bureau.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be returned on a monthly basis to the account holder. Copies of the checks are acceptable, if legible, and if originals can be made available upon request by the bureau.

(8) All monies derived from the conduct of the licensed gaming event shall be deposited into the qualified organization's financial account within 2 business days of the drawing or as directed in writing by the bureau.

(9) Checks shall not be cashed out of the raffle start cash or gross revenue.

(10) Prize payments and worker compensation are the only allowable cash expenditures from proceeds of the licensed gaming event. All other raffle-related expenses shall be paid by check as prescribed by this rule.

R 432.21520 Advertising.

Rule 520. (1) Expenditures by the raffle licensee for advertising the licensed gaming event shall be necessary and reasonable.

(2) A licensee, lessor, or location may advertise a licensed gaming event using current and accurate information. The advertising shall include all of the following:

(a) Name of the licensee.

(b) License number.

(c) Purpose for which the net proceeds will be used.

(3) The terms "lotto" or "lottery" shall not be used in any manner to describe or advertise a raffle.

R 432.21521 Raffle financial records; retention.

Rule 521. All of the following financial records shall be available to authorized representatives of the bureau for review and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statement as prescribed by R 432.21522.

(b) Bank validated deposit slips for all proceeds from the licensed gaming event.

(c) Bank statements from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(d) Cancelled checks or copies of checks, as prescribed by R 432.21519(7) from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where proceeds from the licensed gaming event were deposited or transferred.

R 432.21522 Financial statement requirements.

Rule 522. (1) A large raffle licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(2) A qualified organization conducting a combination raffle shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the last drawing was held.

(3) The financial statement shall be signed by the principal officer of the qualified organization certifying that the information on the financial statement is true, correct, and complete to the best of his or her knowledge.