



December 16, 2010

Charitable Gaming
Directive No. 5.05.01

Raffle (Playing Card Progressive Raffle)

BACKGROUND

General Rule 101(1)(f) defines a raffle as: "...an event for which raffle tickets are sold, a winner or winners are determined, either by randomly selecting stubs from all of the raffle tickets sold for an event or by an alternative method that is approved in writing by the bureau, and at which a preannounced prize is awarded."

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

Playing card progressive raffles, commonly referred to as Jack of Spades, Queen of Hearts, King of Diamonds, etc., meeting the following terms and conditions are approved.

DEFINITIONS

1. "Bureau" means the Michigan Bureau of State Lottery, Charitable Gaming Division.
2. "Chairperson" means the person(s) listed on the raffle license application responsible for the conduct of the raffle in accordance with the act, rules, and directives of the bureau, who has been a bonafide member of the licensed qualified organization for at least six months.
3. "Consolation Prize" means any prize awarded to a playing card progressive raffle ticket purchaser other than the Progressive Jackpot Prize.
4. "Jackpot Prize Card" means the playing card that must be selected in order to win the Progressive Jackpot Prize.
5. "Progressive Jackpot Prize" means the percentage of Raffle Sales awarded to the winning raffle ticket purchaser selecting the Jackpot Prize Card after Consolation Prizes are deducted.
6. "Raffle Management" means raffle ticket sales oversight, prize payment, and game records completion (see 12).
7. "Raffle Sales" means playing card progressive raffle ticket sales, plus the value of raffle tickets or stubs not returned.

TERMS AND CONDITIONS

8. A standard deck of 52 playing cards must be used or 54 cards if jokers are to be used.
 - a. Playing cards must be verified to ensure all cards are present.
 - b. Each playing card must be placed in an envelope and sealed.
 - c. Envelopes must be thoroughly shuffled.
 - d. Playing cards must not be visible through the envelope.
 - e. Envelopes must be consecutively numbered beginning with the number one (1).

- f. Two or more Chairpersons must sign their names across the envelope seal on each envelope as a method for detecting tampering.
 - g. Envelopes must be placed in a locked display.
 - h. Each task must be performed in public and witnessed by at least two Chairpersons.
 - i. Chairpersons who performed the tasks may not purchase playing card progressive raffle tickets.
9. Display key holders must be Chairpersons.
- a. All potential Chairpersons who may have access to the key for the display must be identified on the raffle application.
 - b. Any change (additions or deletions) in Chairpersons must be submitted in writing to the Bureau prior to the change.
10. A standard raffle ticket drawing must be conducted in public on each licensed drawing date. The winning raffle ticket purchaser must select an envelope from the display cabinet.
- a. The winning ticket purchaser need not be present to win.
 - b. The house rules must specify how an envelope will be selected if the winning ticket purchaser is not present.
 - c. If the winning ticket purchaser's selected envelope contains the Jackpot Prize Card:
 - i. The person whose name appears on the winning ticket stub will receive the Progressive Jackpot Prize.
 - ii. The Chairperson must pay the person whose name appears on the winning ticket stub by check.
 - iii. The licensee must destroy all previously sold playing card progressive raffle tickets.
 - iv. A new playing card progressive raffle may begin on the next drawing date for that license in accordance with 8a through 8i.
 - d. If the winning ticket purchaser's selected envelope does not contain the Jackpot Prize Card:
 - i. The selected card must be placed face up in the display.
 - ii. The licensee must destroy all previously sold playing card progressive raffle tickets.
 - iii. The Progressive Jackpot Prize will be carried forward to the next drawing.
11. When the last licensed drawing date for the raffle occurs, tickets shall be drawn and envelopes selected until the Jackpot Prize Card is revealed and the Progressive Jackpot Prize is awarded.
12. Only Chairpersons may perform the following Raffle Management duties:
- a. Distributing raffle tickets to raffle ticket sellers, collecting the unsold tickets, and collecting ticket revenue from raffle ticket sellers.
 - b. Depositing raffle ticket revenue into the licensed organization's financial account within two business days following a drawing.
 - c. Paying or distributing prizes.
 - d. Completing the Progressive Raffle Accountability Form and financial statement.
 - e. Performing the tasks in 8a through 8i.

13. Raffle expenses (e.g., ticket printing costs, raffle equipment, etc.) must be reasonable and must be paid from the licensee's share of Raffle Sales.
14. A Bureau representative may require that the Chairperson open all remaining envelopes at any time. If the envelopes are opened, the remaining playing cards shall immediately be placed back in the raffle in accordance with 8a through 8i.
15. Any deviation from the above Terms and Conditions requires prior written Bureau approval.

RAFFLE TICKET REQUIREMENTS

16. Raffle tickets must include the following information:
 - a. The licensee's complete name as printed on the license.
 - b. License number.
 - c. The word "raffle."
 - d. Drawing dates (e.g., "Each Friday, July 23, 2010, through July 29, 2011").
 - e. Drawing time.
 - f. Drawing location.
 - g. Ticket price.
 - h. The top prize (e.g., "70% of Raffle Sales").
 - i. Unique sequential identification number.
 - j. Ticket stub containing:
 - i. Purchaser's name.
 - ii. Purchaser's address.
 - iii. Purchaser's telephone number.
 - iv. Unique sequential identification number corresponding to the identification number on the body of the raffle ticket.
17. If raffle tickets are sold only at the location on the licensed drawing dates and during the licensed hours, theater-style roll tickets may be sold without the raffle ticket requirements listed in 16 (see In-house raffles, Raffle Rule 511).

PROHIBITIONS

18. Playing card progressive raffle tickets may only be sold at a uniform price with no discounting for multiple ticket purchases.
19. The Progressive Jackpot Prize shall not exceed 70% of Raffle Sales.
20. Playing card progressive raffle ticket sellers may not receive compensation in any form from the licensed qualified organization.
21. A for-profit location owner or lessor, a shareholder of a privately held corporate owned or leased for-profit location, partner, officer, agent, or employee of a for-profit location owner or lessor, or a person residing in the same household as a for-profit location owner or lessor, shareholder of a privately held corporate owned or leased for-profit location, partner, officer, agent or employee of a for-profit location owner or lessor shall not do any of the following:

- a. Participate in the Raffle Management at the location in which he or she owns, leases, represents, or works.
- b. Be an officer of a qualified organization conducting a licensed gaming event at the location in which he or she owns, leases, represents, or works.
- c. Purchase or receive playing card progressive raffle tickets as a gift, or share in a prize for the playing card progressive raffle being conducted at the location in which he or she owns, leases, represents, or works.
- d. Receive any form of compensation from the licensed qualified organization.

NOTE: Prohibition 21 does not apply to a playing card progressive raffle conducted by a qualified organization (or related qualified organization) at their non-profit location owned and operated for the regular use of its members, or rented or leased on a continual basis for the regular use of its members (e.g., Moose Lodge, Eagles Club, Elks Lodge, etc.).

22. A supplier, shareholder of a privately held corporate supplier, partner, officer, agent, or employee of a supplier, or a person residing in the same household as a supplier, shareholder of a privately held corporate supplier, partner, officer, agent, or employee of a supplier shall not do any of the following:
 - a. Participate in the Raffle Management at the location for which the supplier is providing equipment or services.
 - b. Be an officer of a qualified organization conducting a licensed gaming event for which the supplier is providing equipment or services.
 - c. Purchase or receive playing card progressive raffle tickets as a gift, or share in a prize for the playing card progressive raffle being conducted under the raffle license for which the supplier is providing equipment or services.
 - d. Receive any form of compensation from the licensed qualified organization other than a reasonable price for the purchase or rental of raffle equipment (e.g., raffle drum, tickets, display cabinet, etc.) established prior to the raffle and in no way affected by Raffle Sales.

HOUSE RULES

23. House rules must be in accordance with Raffle Rule 510 and shall contain the following information:
 - a. Jackpot Prize Card.
 - b. Percentage of Raffle Sales awarded to the winner (not to exceed 70%) less Consolation Prizes.
 - c. The number of envelopes to be drawn on each drawing date.
 - d. Playing cards associated with any other Consolation Prizes.
 - e. Amount or description of any other Consolation Prizes.
 - f. Playing card progressive raffle ticket price.
 - g. How an envelope will be selected if the winning ticket purchaser is not present (e.g., ticket purchaser writes desired envelope number on the ticket stub).
 - h. The contingency plan for inclement weather or other extenuating circumstances if the raffle cannot be conducted as planned.

- i. All other information essential to a ticket purchaser's understanding of how the playing card progressive raffle will be conducted (e.g., whether jokers are included in the playing card deck).

24. House rules cannot conflict with the Bingo Act, rules, or other Bureau directives.

REPORTING REQUIREMENTS

- 25. The licensee shall complete the Progressive Raffle Accountability Form electronically, unless approved otherwise in writing by the Bureau.
 - a. The form shall only include one consecutive seven-day period. The licensee may choose the beginning day of the consecutive seven-day period.
 - b. The form must be printed and retained with the game records immediately following the conclusion of each raffle drawing.
 - c. The raffle proceeds deposited shall coincide with the time period stated on the form.
 - d. The corresponding deposit slip shall be attached to the form.
 - e. The winning raffle ticket stub(s) for the drawing shall be attached to the form.
- 26. The licensee shall complete the Raffle Financial Statement after the last licensed drawing date.
- 27. The house rules shall be retained with the game records.

Signed copy available upon request

M. Scott Bowen, Commissioner

Date