

Obtaining a Games of Chance License - HYAA

Background:

- The Legalized Games of Chance Control Commission (LGCCC) oversees the operation of games conducted pursuant to the Bingo & Raffles Licensing Law, which applies to all registered New Jersey nonprofits. HYAA is a state registered nonprofit organization, whose members may apply for licenses to conduct games of chance (raffles, drawings, bingo, etc.) for fundraising purposes. Pursuant to state rules and regulations, HYAA must adhere to the procedures enforced by the LGCCC or be subject to various fines and penalties.
- In addition to making sure that HYAA teams are fundraising within the legal boundaries of what we can do, the board and management team feel it is important to point out that obtaining a proper license protects *you* the coach, parent, or commissioner as well, should anyone accuse you of misappropriating funds. It happens, believe it or not. Going through HYAA and abiding by the process ensures that it's all done transparently and avoids any unnecessary accusations from a parent or another coach about how the money was raised, and where it went.
- The HYAA board proposed, presented, and then ratified and posted a financial policy where we outline what is expected when it comes to teams and sports financing their activities and fundraising for whatever cause/need. In that policy, we pointed out that we didn't yet have a state license in place to allow games of chance, and now we do. This will help us raise more money, and will ensure it's done in the right way. The financial policy is posted [here](#) and can be accessed via www.hyaa.org.
- Please note that the state prohibits allowing nonprofits to run Super Bowl boxes and March Madness brackets. You can't even apply for a license for these kinds of games. Examples of permitted games of chance that require a license are a 50-50 raffle, raffling off tickets or merchandise, a Casino night.

The application process:

- If you are interested in running a raffle or any type of game of chance for a sport, you must first receive emailed approval from the commissioners of the sport and then forward the approval to the HYAA office (admin@hyaa.org). The HYAA office will then contact the Executive Board for approval. Please provide the office with the following information:
 1. Description of Prize
 2. Value of Prize
 3. What is the cost of the raffle ticket?
 4. How are you choosing the winner?
 5. What is the date that the raffle will be drawn?
 6. Where will the raffle be drawn?
 7. Does the winner need to be present?
 6. Will you incur any expenses in connection with the raffle?
 7. Who/what will the proceeds benefit?
 8. Who supplied the prize? Was it donated?
 9. Who is pulling the winning ticket?

- Once approved, the office will then fill out appropriate paperwork to be approved by the Town Clerk's Office of Holmdel Township.
- The person who will be pulling the winning ticket of the raffle must fill out a background check conducted by the township.
- They must also fill out a sample ticket (attached). If approved by the township, you will then be contacted by the office and only then can you begin to advertise and collect monies for your raffle.
- Please keep in mind that the approval process can take a minimum of 2-3 weeks.
- It is advisable to file all raffle and bingo applications at least eight (8) weeks prior to the date of the raffle/bingo date.

HYAA License Policy Start Date and Proposed Penalties:

- As of May 1, 2024, all HYAA members who conduct a game of chance fundraising event MUST go through the HYAA license application process detailed here.
- First time violations will result in a \$250 fine for the sport responsible; additional violations will result in a percentage of proceeds re-allocated to HYAA general fund, as determined by the HYAA board.

Additional Details From the New Jersey (LGCCC)

Fines and Penalties

- A violation of the bingo and raffles licensing laws or regulations carries a fine of up to \$7,500 for a first offense and up to \$15,000 for the second and each subsequent offense. In addition, the Commission is authorized to order restitution to an aggrieved party. All penalties may be collected in a summary manner pursuant to the Penalty Enforcement Act.15.
- The bingo and raffles licensing laws also limit the prizes that may be awarded in the aggregate and in any one particular game. Specifically, no licensee may offer a prize having a retail value greater than \$100,000 in any one raffle conducted by drawing, or \$500 in any raffle not conducted by drawing.
- Furthermore, no licensee shall offer prizes that, in aggregate, amount to a value greater than \$500,000 in any 12-month period. Finally, all tickets or rights to participate in a raffle must be sold at a uniform unit price, and discounts for purchases of more than one ticket are prohibited.
- As for bingo games, no prize may be offered exceeding \$1,000 in one particular game, nor may prizes exceeding \$3,000 in the aggregate for one occasion be offered.¹² As for the premises and equipment used for bingo, unless the licensee is the sole owner, or it is donated, the person leasing the premises and equipment, and the price for the same, must be approved by the Commission.

Definitions of Different Raffles:

NJ Municipal Rules and Limits

- On-Premise Raffle 50/50: Applies to raffles with tickets sold only on the date of the drawing where the winner gets half of the money raised from ticket sales.
- On-Premise Merchandise Raffle: Applies to raffles where tickets are sold only on the date of the drawing and no money prizes are awarded.
- The winner must be present to win.
- Off-Premise Raffle 50/50: In this type of raffle, tickets are sold ahead of the date of the raffle drawing. Winner receives half of the money from ticket sales and need not be present to win.
- Off-Premise Merchandise Raffle: In this type of raffle, tickets are sold ahead of the date of the raffle drawing and prizes do not include cash, but rather restaurant dinners, gift certificates, cars and trips. The winner need not be present to win.