

■ Charitable Games Subject to Important New Requirements

TO: Charitable Games Licensees

Effective November 29, 1994, several changes have occurred in the requirements for conducting charitable games. Some of these changes are outlined below.

What's new about the application process for qualified organizations?

The organization seeking a license to conduct a charitable games event or its authorized representative is responsible for completing the application. The organization's presiding officer and secretary must sign the application and attest that it is true, correct, and complete.

The application package will require a list of

- names,
- addresses,
- Social Security numbers, and
- dates of birth

of all persons who will participate in the management or operation of the games. The list must be signed by the organization's presiding officer and secretary and contain a sworn statement that all these persons are members, volun-

teers, or employees of the applicant and that they

- will not receive any remuneration or any other compensation for their participation, either directly or indirectly from any source and
- have not participated in the operation or management of more than four charitable games events in the calendar year.

Who may participate in the management or operation of a charitable games event?

Only the following persons may participate in the management or operation of a charitable games event:

- members of the sponsoring organization
- employees of the sponsoring organization
- "volunteers" as outlined below

What limits are imposed on a "volunteer" in the management or operation of a charitable games event?

A "volunteer" may not

- be recruited by anyone except the sponsoring organization,

- receive remuneration or any other compensation, either directly or indirectly from any source, and
- participate as a volunteer in more than four charitable games events per calendar year.

What activities constitute "management or operation" of a charitable games event?

The following activities constitute "management or operation" of a charitable games event:

- selling admission tickets
- selling or redeeming chips, scrip, or play money; or assisting in these activities
- participating in the conducting of any game played during the event
- supervising, directing, or instructing anyone conducting a game
- counting or handling any of the proceeds or chips, scrip, or play money at the event; or supervising anyone doing so
- ensuring that the games are being conducted according to the rules established by the sponsoring organization
- ensuring that the game equipment is working properly

What activities do not constitute “management or operation” of a charitable games event?

The following activities do not constitute “management or operation” of a charitable games event:

- setting up
- cleaning up
- selling food or drink
- providing security for persons or property

What’s new for providers and suppliers?

Officers, employees, or owners of a provider or supplier may not participate in the management or operation of a charitable games event under any circumstances.

Providers and suppliers may not promote or solicit a charitable games event on behalf of a qualified organization or a sponsoring organization.

Suppliers may have only one representative present at a charitable games event for the exclusive purpose of ensuring that their equipment is not damaged.

What’s new for consultant services?

No officer, employee, or owner of a consultant service (such as a service that provides security, training, or advertising) hired by the sponsoring organization may participate in the management or operation of a charitable games event.

What are the limits on the number of charitable games events that may be conducted at any given location?

A provider may not provide the same premises for conducting more than eight charitable games events per year.

Exception: Effective November 29, 1994, municipalities holding providers’ licenses are allowed to provide the same premises for 16 separate charitable games events.

Sponsoring organizations may also provide their premises to other sponsoring organizations by obtaining a provider’s license. This license allows the provider to rent or otherwise provide this location for an additional four charitable games events per calendar year.

What new penalties are in effect?

Civil penalties

A new civil penalty of \$250 per violation has been imposed upon any person or organization that violates any provision of the law or knowingly violates any rule of the Department of Revenue for administering the law.

Criminal penalties


Filing or signing a fraudulent application constitutes a Class A misdemeanor. Any second or subsequent violation constitutes a Class 4 felony.

Any willful misstatement made on any application constitutes perjury, which is a Class 3 felony.

The section imposing criminal penalties for various offenses lowers the level of intent that must be shown before a prosecution can be initiated.

Questions?

If you have questions or need more information, please call or write us. Our telephone numbers and address are printed at the bottom of this bulletin.

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