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RULE 3
CHARITABLE RAFFLES

3-101. Charitable Raffles Authorized.

(1) The game of Charitable Raffle is authorized pursuant to the Southern Ute Indian Tribe Gaming Code as a Class III game. Progressive raffles are not authorized under this Rule.

(2) Authorized games shall be conducted according to the rules and provisions set forth in this Rule. The rules of Charitable Raffle shall be followed by all licensees and by all persons participating in any Charitable Raffle.

(3) Drawings for prizes conducted in association with traditional or ceremonial activities are Class I gaming and are not regulated by this Rule.

3-102. Location of Charitable Raffle.

A raffle takes place at the location where the winning ticket is drawn. Such location shall have a valid Southern Ute Tribal Facility License.

3-103. Definitions.

- (1) Charitable Organization means an institution, association, club, society or body, whether incorporated as a tax-exempt organization or not, the objectives of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature and that is operated for purposes that benefit the public interest.
- (2) Code means the Southern Ute Indian Tribe Class III Gaming Code.
- (3) Division means the Southern Ute Indian Tribe Division of Gaming.
- (4) Raffle means a game in which a person pays money or other consideration for a numbered ticket and becomes entitled to receive a prize based upon the element of chance, including but not limited to random ticket draws for prizes and other similar games.
- (5) Raffle Manager means the key licensee primarily responsible for the operation, conduct, reporting requirements of and compliance with this Rule and the Code.

3-104. Licenses.

- (1) Tribal charitable organizations.

A charitable organization that is a Southern Ute Tribal entity may conduct a raffle pursuant to this Rule.

- (a) A person who has the power to exercise significant influence over decisions concerning the raffle is required to obtain a Key License.

(b) Any person who is involved in the handling, counting, collecting or exchanging of money, property, checks, credit or any representative of value, including any payoff from any raffle, or any gaming device, or who is accounting personnel for the raffle, is required to obtain a Support License unless the person holds a Key License. This provision (b) shall not apply to the Tribal Finance Department.

(c) A location at which a raffle takes place shall have a Facility License.

(2) Non-tribal charitable organizations.

A charitable organization that is not a Southern Ute Tribal entity may conduct a charitable raffle on the premises of the Sky Ute Casino Resort if:

- (a) The raffle is an ancillary part of a private event held by the charitable organization at the Sky Ute Casino Resort; and
- (b) The charitable organization possesses a valid State of Colorado raffle license; and
- (c) The raffle is conducted in accordance with the requirements of the Colorado raffle license.

3-105. Age restrictions.

No one under the age of twenty-one years may buy or sell a raffle ticket.

3-106. Applications.

(1) In addition to any license required by this Rule and the Code, a charitable organization that wishes to conduct a raffle shall submit a request to the Division for the approval of the raffle at least 30 days prior to the date the organization plans to begin selling raffle tickets. Such a request shall be on an application form from the Division.

(2) An applicant for a Charitable Raffle shall submit the following information:

- (a) The name of the charitable organization;
- (b) A statement that establishes how the organization qualifies as a charitable organization under this Rule;
- (c) The name of the raffle manager(s) and their license numbers;
- (d) The names of the support licensees involved in the raffle and their license numbers;
- (e) The dates that raffle ticket sales will begin and end;
- (f) A copy of the official raffle rules;
- (g) The ticket price;
- (h) The prize(s) to be awarded;

- (i) The date and time of the proposed raffle drawing;
 - (j) The location and Facility License number for the proposed raffle drawing; and
 - (k) A facsimile of a sample raffle ticket or a voided raffle ticket.
- (3) An application fee for the processing of a raffle approval may be charged in accordance with the fee schedule adopted by the Gaming Commission.

3-107. Approval of charitable raffle game.

- (1) The Division has the sole authority to approve raffle games offered by Southern Ute Tribal entities.
- (2) The Division shall approve any raffle application that meets the requirements of this Rule and the Code. The Division may deny approval to any organization that has failed to comply with this Rule or the Code on a prior occasion.
- (3) Term of raffle approval. The approval of the raffle shall be for the time period approved by the Division based on dates listed in the application.
- (4) If a raffle is conducted by a non-Tribal entity under 3-104(2), the organization shall deliver a copy of the Colorado raffle license to the Division at least seven days prior to the drawing at the Sky Ute Casino Resort. If such an organization fails to comply with this requirement or previously has failed to comply with a requirement of this Rule or the Code, the Division may deny permission to conduct the current and subsequent raffles.

3-108. Charitable raffle ticket sales.

- (1) Physical ticket sales shall occur only within the exterior boundaries of the Southern Ute Indian Reservation.
- (2) Online ticket sales shall occur only within the State of Colorado, using location verification and confirming the lawful age of the purchaser.
- (3) No ticket may be sold to or sold by a person under the age of 21 years.
- (4) Governing board members, employees, licensees or household members of the sponsoring organization may not purchase raffle tickets nor may another person purchase a ticket on their behalf.
- (5) No ticket may be sold at a price other than the price stated on the ticket;
- (6) Free play is not allowed.
- (7) The key licensee must maintain a log of all tickets, sold and unsold, which includes the sequential identification numbers of the tickets and their distribution to licensees for sale, such that any ticket may be accounted for, at any time, as sold or unsold and its location.
- (8) Unsold tickets and retained ticket stubs shall be securely stored in the possession of licensees.

3-109. Charitable raffle ticket information.

- (1) All raffle tickets shall contain a minimum of the following:
 - (a) The name of the charitable organization;
 - (b) The number of the Division-issued approval;
 - (c) The name of the key licensee responsible for conducting the raffle;
 - (d) The words “Charitable Raffle;”
 - (e) The date, time and location of the raffle drawing;
 - (f) The price of the ticket;
 - (g) A unique sequential identification number on both the raffle ticket and ticket stub;
 - (h) A description of the top prize or other information directed by the Division; and
 - (i) Information as to how to view a copy of the approved raffle’s rules.
- (2) The ticket stub for the ticket pool shall have a space for the name, address and telephone number of the ticket purchaser.

3-110. Conduct of the raffle.

- (1) The Division-issued approval and a copy of the raffle’s rules shall be on display in a conspicuous place during the drawing for winning tickets;
- (2) Any person who has purchased a ticket may be present to observe the drawing;
- (3) The drawing shall take place at the licensed facility in a location with adequate surveillance coverage and the Division shall have an investigator present (if one is available).
- (4) All tickets sold shall be placed in the ticket pool from which the winning ticket(s) will be drawn;
- (5) Winning tickets shall be selected at random and all participants shall have an equal chance of winning;
- (6) The ticket receptacle shall be designed such that all tickets have an equal opportunity to be drawn;
- (7) Only one ticket at a time shall be drawn;
- (8) A ticket holder need not be present to win;
- (9) The winner and/or winning ticket number shall be announced at the time of the drawing;
- (10) If a raffle ticket is sold but arrives too late to be placed in the ticket pool, the purchaser shall be offered a full refund; and
- (11) In addition to all of the requirements above, a raffle shall be conducted according to the requirements contained in the approval.
- (12) The raffle shall be conducted in accordance with the approved application. Any request for changes to the application must be submitted in writing to the Division and approved by the Division before the changes may be implemented.

3-111. Raffle prizes.

- (1) All prizes shall be awarded;
- (2) The sponsoring organization shall use diligent efforts to locate winning ticket holder(s);
- (3) If after 30 days, the sponsoring organization has been unable to locate the winning ticket holder or if such winner declines the prize, the key licensee shall notify the Division of such. Additionally, the sponsoring organization shall award the raffle prize by conducting another drawing with the same ticket pool (less any winning tickets) as the original ticket pool.
- (4) All prizes shall be awarded with free and clear title.

3-112. Responsibilities of charitable raffle key licensee.

The key licensee for a raffle shall be responsible for:

- (1) Ensuring that there is full accountability for all gaming assets, including but not limited to, cash, prizes, raffle tickets and all funds derived from the raffle;
- (2) Ensuring that the raffle is conducted in compliance with the Code, this Rule and all requirements of the Division-issued approval;
- (3) Ensuring that all records related to the raffle are current and accurate;
- (4) Reviewing and responding to all reports and correspondence from the Division;
- (5) Signing and ensuring that the financial statement required by this Rule is submitted to the Division;
- (6) Responding in writing to inquiries from the Division and any notices of violation;
- (7) Compliance with financial reporting requirements of Article 14 of the Code, as applicable to raffles;
- (8) Compliance with federal tax and other IRS requirements, including filing W2-G forms and withholding winnings as required.
- (9) Within 30 days of the raffle drawing, the raffle manager shall submit to the Division a complete accounting of the proceeds of the raffle on approved forms. Information in the accounting shall include:
 - a. The number of tickets sold;
 - b. The total revenue generated by ticket sales;
 - c. Expenses as described above; and
 - d. The name(s) and address(s) of the winner(s) and whether they have been awarded the prize(s).

3-113. Lawful use of proceeds; reasonable expenditures.

- (1) All monies derived from the raffle shall be deposited into the charitable organization's financial account within two business days of the raffle drawing;
- (2) All expenses shall be recorded in sufficient detail to identify the payee, the amount of the expense, the manner of payment and the purpose of the payment, including invoice numbers.

- (3) Expenses related to the raffle shall be necessary and reasonable to qualify as valid expenses;
- (4) The entire net proceeds of the raffle shall be used for the charitable purposes of the charitable organization;
- (5) To ensure that all proceeds are used for charitable purposes of the charitable organization, all financial accounts into which proceeds of the raffle were deposited or transferred shall be open for review by the Division.
- (6) Any deviations from the requirements above shall be fully explained in writing to the Division.
- (7) All documentation for the raffle is required to be maintained for a period of three years and shall be subject to review by the Division on demand.