

DEPARTMENT OF STATE
DIVISION OF PROFESSIONAL REGULATION
Gaming Control Board

Statutory Authority: 28 Delaware Code, Section 1122 (28 **Del.C.** §1122)
10 **DE Admin. Code** 101, 102, 103 & 104

FINAL

ORDER

101 Regulations Governing Bingo; 102 Regulations Governing Raffles; 103 Regulations Governing Charitable Gambling Other Than Raffles; 104 Regulations Governing Texas Hold'em Poker

After due notice in the *Register of Regulations* and two Delaware newspapers, a public hearing was held on Thursday, July 5, 2012, at a scheduled meeting of the Delaware Board of Charitable Gaming, to receive comments and to review written comments submitted by the public, if any, regarding proposed amendments to the Board's Rules.

There are several proposed amendments. Some would simply eliminate references to specific statutes, because pending legislation will probably result in those statutes being renumbered. Certain language is changed as well to update the rules. One change would amend 10 **DE Admin. Code** 101, by adding Rule 2.6, prohibiting the playing of bingo at a charitable gaming vendor's facility.

Another would amend 10 **DE Admin. Code** 102, by allowing raffles over an extended period of time, with a chance to win on multiple occasions, and an opportunity to purchase a chance throughout the period of the raffle. It would also make clear that such a raffle, lasting up to six months, would be charged a single application fee. In addition, the rules will make it clear that one must be 18 years of age to purchase a raffle ticket. Another amendment would clarify that the sponsoring organization must handle all money, and no third party vendor, such as PayPal, may be used. A new section 3.8 will provide that no houses or other buildings may be won in a raffle. A new Rule 3.9 will provide that no raffle tickets may be sold until a license to conduct the raffle has been issued.

There will also be amendments to 10 **DE Admin. Code** 103 to update language and eliminate certain statutory references. A new section 6.4 will require a new owner of a charitable gaming vendor to produce a Delaware business license to the Board. Also, an organization using that vendor for an event must inform the Board that it knows of the change in ownership and will continue with the event using the new owners. An amendment to Rule 3.1.6 will make it clear that no tip cups are permitted at charitable gaming events. Donations are permitted, but must be placed in containers located near the entrance and be at all times accessible to the member in charge of the event.

The proposed amendments were published in the *Register of Regulations*, Volume 15, Issue 12, on June 1, 2012.

SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

No written comments were received by the Board. No member of the public appeared to testify at the hearing.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The public was given notice and an opportunity to provide written comments and testimony on the proposed amendments.
2. The Board finds that the proposed amendments are necessary and in the public interest.
3. Pursuant to 28 **Del.C.** §1122, the Board has statutory authority to promulgate regulations governing charitable gaming.

DECISION AND EFFECTIVE DATE

The Board hereby adopts the proposed amendments to its rules in the manner to be published in the *Register of Regulations* in August, 2012, to be effective ten days after publication of the Order in the *Register of Regulations*.

TEXT AND CITATION

The text of the revised rules shall be as published in the *Register of Regulations* in June, 2012, as attached hereto as Exhibit A.

SO ORDERED this 5th day of July, 2012.

DELAWARE BOARD OF CHARITABLE GAMING

Scott Angelucci, Chair

James Greene, Member

Sharon McDowell, Member

Deborah Messina, Member

Janet Williams-Coger, Member

101 Regulations Governing Bingo

1.0 Definitions

“Bingo” A game of chance played for prizes with cards bearing numbers or other designations, five or more in one line, the holder covering numbers as objects similarly numbered are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card.

“Bingo Statute” The statutory law concerning bingo, as contained in ~~28 Del.C., §1101 et. seq~~ Title 28 of the Delaware Code.

“Board” The Delaware Gaming Control Board.

“Color Coded” A different color for each of the five letters of the word "BINGO."

“Cookie Jar Bingo” A game of chance in which players pay a set fee into a cookie jar or other container and receive a number which entitles the player to a chance to win the total funds in the cookie jar or container. At the start of the event, a bingo number shall be drawn which shall serve as the “cookie jar number.” That number shall be posted for all players to see. During the games played on that occasion, if a player achieves bingo when the cookie jar number is drawn, the player shall win the funds in the cookie jar or container. If no one achieves bingo when the cookie jar number is drawn, the funds in the jar shall not be awarded. An organization may not otherwise offer a cookie jar game and may not designate the last game of the night or any other particular game as a cookie jar game at which the funds will be awarded without a person achieving bingo when the cookie jar number is drawn. The fee to play a cookie jar bingo game must be collected separately and such fee may not be included in the fee to play regular bingo games or in any other fee.

Any amounts in any cookie jar bingo games shall not be included in any prize money limitations contained in these rules. An organization may not have more than two cookie jar bingo pots at any one time. The first jar must be awarded before a third jar can be started. If two cookie jar pots each contain the maximum amount of money allowed by law, the first jar must be awarded at the same event at which the second jar reaches the allowable maximum. If the first jar has not been awarded by the final game of the night, a special final bingo game of “full card” or “black out” bingo using a separate, single card, shall be played and the jar will be won by the first person who covers all spaces on their entire card.

The fees for cookie jar bingo shall be collected at the beginning of the event and added to the jar or jars before the first number is drawn. If at the beginning of an event when players pay their fee, one jar contains the maximum (up to \$1,000) and the second jar would go over the maximum if the fees are added, the fees shall be held and not placed in the second jar at that time. When the first jar is then won, the second jar shall be filled to a total of the maximum and the remaining fee moneys shall be placed in a new jar.

The organization conducting the bingo event may choose any amount up to \$1,000 for each cookie jar. The organization shall post the amount available to be won in the cookie jar and also clearly announce to the players the amount available to be won in the cookie jar.

“Districts” Those districts mentioned in Article II, 9§17A of the Delaware Constitution.

“Equipment” The receptacle and color coded numbered objects to be drawn from it, the master board upon which such objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the numbers or designations as they are drawn, public address systems, tables, chairs, and other articles essential to the operation, conduct and playing of bingo.

“Game” The game of bingo.

“Instant Bingo” A game of chance played with sealed or covered cards which must be opened in some fashion by the holder such that the cards reveal instantly whether the holder has won a prize. This type of game includes but is not limited to games commonly known as “rip-offs” or “Nevada pull-tabs.”

“Member in Charge” A bona fide, active member of the "Qualified Organization" in charge of, and primarily responsible for the conduct of the game on each occasion.

“Occasion” A single gathering or session at which a series of successive bingo games (regular, special, or otherwise) is played, not to exceed forty (40) in number.

“Proceeds” The gross income received from all activities engaged in or on occasion when bingo is played, less only, such actual expenses incurred as are authorized in the Bingo Statute and these Rules and Regulations.

“Qualified Organization” A volunteer fire company, veterans organization, religious or charitable organization, or fraternal society that is operated in a manner so as to come within the provisions of Section 170 of the U.S. Secretary of the Treasury.

“Week” means a seven day period beginning on Sunday and ending on Saturday.

2 DE Reg. 1224 (01/01/99)

12 DE Reg. 357 (09/01/08)

13 DE Reg. 412 (09/01/09)

13 DE Reg. 1355 (04/01/10)

14 DE Reg. 486 (11/01/10)

15 DE Reg. 367 (09/01/11)

2.0 Applications For Bingo License

2.1 Original applications shall be filed upon:

2.1.1 the first application of an organization for a license;

2.1.2 after the first application and upon a subsequent change in the organization's charter or bylaws; or

2.1.3 in the event of a subsequent application after a prior refusal, suspension, or revocation by the Board.

2.2 Supplemental applications for bingo licenses shall be filed in all instances except those covered by the original application. All promotional give-away events, as defined under ~~28 Del.C. §1139(h)(2)~~ Title 28 of the **Delaware Code**, must be listed on an applicant's application for licensure, giving the dates of the promotional give-away events. If the event is not listed on the application, no promotional give-away event can be conducted.

2.3 All original and supplemental applications shall be filed with the Secretary of the Board at least six (6) weeks prior to the date of the occasion.

2.3.1 An application must be submitted in advance of the proposed date of the function as to allow the Board to consider the application at two consecutive board meetings before deciding to approve or deny the application.

2.4 No applications (original or supplemental) shall be accepted unless the applicant, at the time of the filing, attaches a check or money order for the full amount of the fees payable by law for each occasion requested. In the event an application is refused by the Board, the application fees shall be refunded in full to the applicant. There shall be a license fee of \$15 for each occasion on which bingo is conducted under a license.

2.5 No application shall be received by the ~~Commission~~ Board unless it clearly shows that the applicant is located in and seeks to conduct the game in a district which has approved the licensing of bingo by referendum, and on premises owned or regularly leased by the applicant. If the applicant desires to conduct games on premises specially leased for the occasion, a separate written request therefor (together with supporting reasons) shall accompany the application. The Board reserves the right to accept or reject any application for the conduct of games on specially leased premises. Organization conducting a Function shall prepare and have available on the premises a list of all persons taking part in the management or operation of the Function. Such list shall be maintained as part of the licensees, records of the Function and shall be made available to any member or agent of the Board or law enforcement officer.

2.6 Bingo games may not be held at a facility owned by a charitable gaming vendor.

2 DE Reg. 1224 (1/1/99)

8 DE Reg. 531 (10/01/04)

12 DE Reg. 357 (09/01/08)

3.0 Bingo Licenses

3.1 Upon receiving an application, the Board shall make an investigation of the merits of the application. The Board shall consider the impact of the approval of any license application on existing licensees within the applicant's geographical location prior to granting any new license. The Board may deny an application if it concludes that approval of the application would be detrimental to existing licensees.

3.2 The Board may issue a license only after it determines that:

3.2.1 The applicant is duly qualified to conduct games under the State Constitution, statutes, and regulations.

3.2.2 The members of the applicant who intend to conduct the bingo games are bona fide active members of the applicant and are persons of good moral character and have never been convicted of a crime involving moral turpitude.

- 3.2.3 The bingo games are to be conducted in accordance with the provisions of the State Constitution, statutes, and regulations.
- 3.2.4 The proceeds are to be disposed of as provided in the State Constitution and statutes.
- 3.2.5 No salary, compensation or reward whatever will be paid or given to any member under whom the game is conducted. If the findings and determinations of the Board are to the effect that the application is approved, the Secretary shall execute a license for the applicant.
- 3.3 The license shall be issued. The original thereof shall be transmitted to the applicant.
- 3.4 If the findings and determinations of the ~~Commission~~ Board are to the effect that the application is denied, the Secretary shall so notify the applicant by certified mail of the reasons for denial, and shall refund any application fees submitted.
- 3.5 In the event of a request for an amendment of a license, the request shall be promptly submitted to the ~~Commission~~ Board in writing, and shall contain the name of the licensee, license number, and a concise statement of the reasons for requested amendment. The ~~Commission~~ Board may grant or deny the request, in its discretion, and may require supporting proof from the licensee before making any determination. The ~~Commission~~ Board may require the payment of an additional license fee before granting the request. The licensee shall be notified of the ~~Commission's~~ Board's action by appropriate communication, so that the licensee will not be unduly inconvenienced.
- 3.6 No license shall be effective for a period of more than one year from the date it was issued.
- 3.7 No license shall be effective after the organization to which it was granted has become ineligible to conduct bingo under any provision of Article II, §17A of the Delaware Constitution.
- 3.8 No license shall be effective after the voters in any District designated in Article II, §17A of the Constitution have decided against bingo in a referendum held pursuant to that section and subchapter II of the Bingo Statute.
- 3.9 No bingo licensee licensed prior to July 14, 1998, shall conduct more than ten (10) bingo events in any calendar month and no bingo licensee licensed after the enactment of 71 **Del. Laws** 444 (July 14, 1998) shall conduct more than one (1) bingo event per week. A bingo licensee who was licensed prior to July, 14, 1998 whose license lapses for six (6) months or more due to non-renewal or suspension or any other reason shall, upon licensing thereafter, be considered a licensee licensed after the enactment of 71 **Del. Laws** 444 (July 14, 1998).
- 3.10 The license application shall contain a full and fair description of the prize and the appraised value of the prize. In lieu of submitting an appraisal, the applicant or licensee may submit the full retail value of the prize. In cases where the applicant or licensee purchases the prize from a third party, the Board may require that the applicant or licensee arrange for an independent appraisal of the value of the prize from a person licensed to render such appraisals, or if there is no person licensed to render such appraisals, from a person qualified to render such appraisals.
- 3.11 When bingo is conducted in conjunction with a carnival, festival, or similar event scheduled for more than one day, the game may be played up to every night of the event and shall be considered a single event for purposes of the rule allowing one event per week for those licensed after July 10, 1998 or ten events per month for those licensed before July 10, 1998.

2 DE Reg. 1224 (1/1/99)

3 DE Reg. 1692 (6/1/00)

4 DE Reg. 334 (8/1/00)

13 DE Reg. 412 (09/01/09)

13 DE Reg. (01/01/10)

4.0 Conduct of Bingo

- 4.1 The officers of a licensee shall designate a bona fide, active member to be in charge of and primarily responsible for the conduct of the game of chance on each occasion. The member in charge shall supervise all activities on the occasions for which he or she is in charge and shall be responsible for the making of the required report thereof. The member in charge shall be familiar with the provisions of the Bingo Statute, and these rules and regulations.
 - 4.1.1 Neither the member in charge of conducting the event, nor any other member of the sponsoring organization who is assisting in conducting the event or otherwise working at the event shall be permitted to play the bingo games.
- 4.2 The room where any game is being held, operated, or conducted, or where it is intended that any game shall be held, operated, or conducted, or where it is intended that any equipment be used, shall at all times be open to inspection by the appropriate law enforcement officers and agents of the District in which the premises are

situated, and to the Board and its agents and employees. Bingo games shall not be commenced prior to 1:30 p.m. and the operation of a function shall be limited to six hours. Instant bingo is permitted during any event sponsored by the organization that is licensed to conduct it, regardless of the day or time.

- 4.3 No person under the age of eighteen (18) may participate in any bingo game. No person under the age of 18 shall be permitted to participate in any instant bingo game. Persons between the ages of 16 through 18 may conduct or assist in conducting the bingo game and persons over the age of fourteen (14) may act as waiters and waitresses in the handling of food or drinks at an occasion on which a licensee conducts bingo.
- 4.4 No organization licensed prior to enactment of 71 **Del. Law** 444 (July 14, 1998), may hold, operate, or conduct bingo more often than ten (10) days in any calendar month. No bingo licensee licensed after the enactment of 71 **Del. Laws** 444 (July 14, 1998) shall conduct more than one bingo event per week. A bingo licensee licensed prior to the enactment of 71 **Del. Laws** 444 (July 14, 1998), whose license lapses for six (6) months or more due to nonrenewal or suspension or any other reason shall, upon licensing thereafter, be considered a licensee licensed after the enactment of 71 **Del. Laws** 444 (July 14, 1998).
- 4.5 The Board and its duly authorized agents and employees may examine the books and records of any licensee, so far as those books and records relate to any transaction connected with the holding, operating, and conducting of the game of bingo, and may examine any manager, officer, director, agent, member, employee, or assistant of the licensee under oath in relation to the conduct of the game of bingo.
- 4.6 No prize in an amount or value greater than \$250 shall be offered or given in any single game and the aggregate amount or value of all prizes offered or given in all games played on a single occasion shall not exceed \$1,250. The amount of the prize in each bingo game shall be announced at the start of the game. At the end of each game, there will be an announcement of the total number of winners and the amount paid to each. All winners shall be determined and all prizes shall be awarded in any game played on any occasion within the same calendar day as that upon which the game is played. The value of any promotional giveaways, which shall be no more than \$500 per annum to be distributed at an organizational anniversary date and no more than three (3) holiday dates per year, shall not be counted towards the dollar amounts described in this section. Holiday dates means those holiday dates officially recognized by the State of Delaware as holidays. However, a licensee may offer inducements, free refreshments, and free transportation of players to and from bingo events, to attract bingo players to the bingo event, provided that the fair market value of inducements is limited to 15% of the total amount of all other prizes offered or given during the bingo event.
- 4.7 Two or more organizations may not hold games of bingo at the same place on the same day. Unless a bingo licensee has been licensed prior to the enactment of 71 **Del. Laws** 444 (July 14, 1998), only one licensed organization may hold bingo games in a licensed organization's building during any given week.
- 4.8 No alcoholic beverages shall be permitted in the room from the time the bingo hall opens until the conclusion of the last bingo game of the occasion.
- 4.9 All games shall be conducted with equipment that is owned absolutely by the licensee or that is leased for fees not in excess of those allowable under the Schedule of Rental for leasing of equipment on file with the Board. Equipment shall include playing cards. If the licensee uses cards that are for more than one session of playing bingo, these cards should be identified as the property of the licensee.
- 4.10 All winners shall be determined and all prizes shall be awarded in any game played on any occasion within the same calendar day as that upon which the game is played.
- 4.11 When more than one player is found to be the winner on the call of the same number in the same game, the designated prize shall be divided as equally as possible; and when division is not possible, substitute prizes, whose aggregate value shall not exceed that of the designated prize, shall be awarded; but such substitute prizes shall be of equal value to each other.
- 4.12 The equipment used in the playing of bingo and the method of play shall be such that each card shall have an equal opportunity to be a winner. The objects drawn shall be essentially equal as to size, shape, weight, and balance, and as to all other characteristics that may control their selection, and all shall be present in the receptacle before each game is begun. All numbers shall be announced so as to be visible or audible to all players present.
- 4.13 The particular arrangement of numbers required to be covered in order to win the game shall be clearly described and announced to the players immediately before each game is begun.
- 4.14 No arrangement of numbers shall be required to be covered in order to win the game other than the following:
 - 4.14.1 one unspecified horizontal row;
 - 4.14.2 one unspecified vertical row;
 - 4.14.3 one unspecified full diagonal row;
 - 4.14.4 one unspecified row (horizontal, vertical, or diagonal);
 - 4.14.5 Two or more of the foregoing, forming a specified arrangement;

- 4.14.6 The entire card;
- 4.14.7 Four corners;
- 4.14.8 Eight spaces surrounding the free space.
- 4.14.9 Any other configuration or shape on the card established by an organization, provided the players are informed of the shape needed to win before play commences.
- 4.15 Within the limits contained in ~~28 Del.C. §1132(b)~~ Title 28 of the **Delaware Code**, alternate prizes may be offered depending upon the number of calls within which bingo is reached, provided the application for the bingo license and the license so specify.
- 4.16 Any player shall be entitled to call for a verification of all numbers drawn at the time a winner is determined, and for a verification of the objects remaining in the receptacle and not yet drawn. The verification shall be made in the immediate presence of the member designated to be in charge on the occasion, but if such member is also the announcer, then in the immediate presence of an officer of the licensee.
- 4.17 No licensee shall conduct more than forty (40) games on a single occasion.
- 4.18 In the playing of bingo, no person who is not physically present in the room where the game is actually conducted shall be allowed to participate as a player in the game.
- 4.19 Within the limits contained in ~~28 Del.C. §1132(6)~~ Title 28 of the **Delaware Code**, the prizes offered may be varied depending upon the number of people who attend the occasion, provided the application for bingo license and license so specify. If a licensee avails itself of the provisions of this rule, it must announce at the beginning of each game the number of people present and the prizes to be awarded.
- 4.20 The entire proceeds of the games of bingo must be used solely for the promotion or achievement of the purposes of the licensee.
- 4.21 Any local rules adopted by the licensee that affect the conduct of the players or the awarding of prizes shall be prominently posted in at least four locations within the area where the bingo games are conducted.
- 4.22 The licensee shall be permitted to reserve seats within the area where the bingo games are conducted to provide for the special needs of handicapped persons, and the licensee shall ensure that the remaining seats are made available to the players on an equal basis.
- 4.23 A licensee may charge an admission fee to a game event in any room or area in which a game is to be conducted. The admission fee shall entitle the game player (a) to a card enabling the player to participate without additional charge in all regular games to be played under the license at the event, or (b) to free refreshments. The licensee may charge an additional fee to a game player for a single opportunity to participate in a special game to be played under license at the event.
- 4.24 No person shall conduct or assist in conducting any game except an active member of the organization to which the license is issued.
- 4.25 No item of expense shall be incurred or paid in connection with the conduct of the game except shall be incurred or paid in connection with the conduct of the game except such as are bona fide items of a reasonable amount for merchandise furnished or services rendered which are reasonably necessary for the conduct of the game.

2 DE Reg. 1224 (1/1/99)

2 DE Reg. 1761 (4/1/99)

12 DE Reg. 357 (09/01/08)

13 DE Reg. 107 (07/01/09)

13 DE Reg. 412 (09/01/09)

13 DE Reg. 1355 (04/01/10)

15 DE Reg. 1618 (05/01/12)

5.0 Reports After the Function

- 5.1 When no game is held on a date a licensee is authorized to hold such game, a report to that effect shall be filed with the Board.
- 5.2 Within 5 days of the last day of the function, the member-in-charge shall submit a report to the Board that includes all information required by ~~28 Del.C. §1140(a)~~ Title 28 of the **Delaware Code**.
- 5.3 If a licensee fails to timely file a report or if a report is not properly verified, or not fully, accurately, and truthfully completed, no further license shall be issued to the licensee and any existing license shall be suspended until such time as the deficiency has been corrected.

11 DE Reg. 516 (10/01/07)

12 DE Reg. 357 (09/01/08)

13 DE Reg. 107 (07/01/09)

6.0 Suspension and Revocation of Licenses

- 6.1 Proceedings to suspend or to revoke a license shall be brought by notifying the licensee of the ground thereof and the date set forth for a hearing thereon. The ~~Commission Board~~ may stop the operation of a game pending hearing, in which case the hearing must be held within five (5) days after such action.
- 6.2 When suspension or revocation proceedings are begun before the ~~Commission Board~~, it shall hear the matter and make written findings in support of its decision. The licensee shall be informed of the decision and of the effective date of the suspension or revocation.
- 6.3 When a license is suspended or revoked, the licensee shall surrender up the license to the Board on or before that effective date set forth in the notice of decision. In no case shall any license be valid beyond the effective date of suspension or revocation, whether surrendered or not.
- 6.4 Upon finding of the violation of these rules and regulations or the Bingo Statute, such as would warrant the suspension or revocation of a license, the Board may in addition to any other penalties which may be imposed, declare the violator ineligible to conduct a game of bingo and to apply for a license under said law for a period not exceeding thirty (30) months thereafter. Such declaration of the ineligibility may be extended to include, in addition to the violator, any of its subsidiary organizations, its parent organization and any other organization having a common parent organization or otherwise affiliated with the violator, when in the opinion of the Board, the circumstances of the violation warrant such action.

7.0 Severability

If any provision of these Regulations or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of these Regulations and the applicability of such provisions to other persons or circumstances shall not be affected thereby.

2 DE Reg. 1224 (1/1/99)

15 DE Reg. 1618 (05/01/12)

102 Regulations Governing Raffles

These regulations shall apply to any raffle conducted under ~~28 Del.C. §1130~~ Title 28 of the Delaware Code in which the value of the prize or prizes to be awarded is \$5,000 or more or in which the ticket price is more than \$5.00 for a single drawing for prizes, or more than \$15.00 for a series of drawings for prizes occurring on a periodic schedule exceeding one month. These regulations are issued pursuant to the authority granted the Delaware Gaming Control Board in ~~28 Del.C. §1122(2)~~ Title 28 of the Delaware Code.

2 DE Reg. 1224 (1/1/99)

15 DE Reg. 368 (09/01/11)

1.0 Definitions

“Board” The Delaware Gaming Control Board.

“Prize” Any item or items chosen by a Sponsoring Organization as the subject of a raffle, which the organization announces it will award to a person selected by chance from among those purchasing tickets to the raffle.

“Qualified Member” For the purposes of eligibility to participate in managing or otherwise assisting in the operation of raffle, a person is a bona fide member of the licensed organization only when he or she:

Has become a member prior to the commencement of the function and such membership was not dependent upon, or in any way related to the payment or consideration to participate in, any gambling activity; and

Has held full and regular membership status in the licensed organization for a period of not less than three (3) consecutive months prior to the subject function; and

Has paid any reasonable initiation or admission fees for membership, and/or any dues, consistent with the nature and purpose of the licensed organization and with the type of membership obtained and is not in arrears in payment of any such fees or dues; and

Has met all other conditions required by the licensed organization for membership and is in all respects a member in good standing at the time of the subject function; and

Is a bona fide member of a bona fide charitable or bona fide nonprofit organization affiliated with or auxiliary to his or her sponsoring organization, or to which his or her own organization is auxiliary, when he or she meets all of the standards set out above respecting his or her own organization.

“Raffle” A form of lottery in which a number of persons buy one or more chances attempting to win the same prize. Any game such as so called “Nevada cards” or “pull cards” where the amount of the prize is determined by the contents of the ticket purchased are not raffles.

An organization may conduct a raffle which will not be completed in one night. An organization may sell a chance good for an extended period of time with a series of drawings, with a chance to win a prize multiple times during that period, provided all chances are sold at the same time and chances may be purchased throughout the period of the raffle. The payment of a single fee with the application shall be sufficient for the entire six month period. However, any such raffle must first be approved by the Board.

No one under the age of 18 shall be permitted to participate in a raffle.

“Related Party” Includes:

An officer, director, or trustee (or an individual having powers or responsibilities similar to those of officers, directors, or trustees) of the organization.

A spouse other than a spouse who is legally separated from the individual under a decree of divorce or separate maintenance; a child including legally adopted children; grandchildren; parents; and grandparents of parties described in (a) above.

A corporation, trust, estate or partnership more than 35% of which is owned or held by any of the preceding.

“Sponsoring Organization” Any veterans, religious, or charitable organization, volunteer fire company or fraternal society as defined in Article II, §17A or §17B of the State Constitution.

13 DE Reg. 1355 (04/01/10)

2.0 Disclosure

- 2.1 In any raffle conducted pursuant to ~~28 Del.C. §1130~~ Title 28 of the Delaware Code, the sponsoring organization must disclose the following information on the raffle ticket itself:
 - 2.1.1 A full and fair description of the prize;
 - 2.1.2 The appraised value of the prize;
 - 2.1.3 If there is a minimum number of tickets to be sold, what the minimum is and the procedure to be employed to secure a refund in the event the minimum is not reached;
 - 2.1.4 The drawing date for the raffle;
 - 2.1.5 The exact nature of the charitable purpose for which the proceeds will be used.
- 2.2 The charitable organization is responsible for the handling of all monies, bookkeeping and receipts in a raffle. The Board will not approve on-line raffles or raffles involving third party payers, such as PayPal or similar entities.

3.0 Obligations of the Sponsoring Organization

- 3.1 If for any reason the raffle is not completed and a prize is not awarded on the scheduled drawing date, the sponsoring organization must take all steps necessary to notify ticket purchasers of that fact and return all money received from ticket purchasers within thirty days.
- 3.2 Members, employees and their immediate family members may purchase raffle tickets, but may not sell raffle tickets to members of their immediate family. The sale of tickets alone shall not constitute the promotion and operation of a raffle for purposes of this section. Nothing in this section prohibits the award of a prize to a person for selling a winning ticket.
- 3.3 The sponsoring organization shall take such steps as are necessary under the circumstances to insure that each ticket purchaser has a chance to be selected as the prize winner and that prize winner is selected in an entirely random manner.
- 3.4 In cases where the sponsoring organization purchases the prize from a third party, the Board may require that the sponsoring organization arrange for an independent appraisal of the value of the prize from a person licensed to render such appraisals, or if there is no applicable licensing requirement, from a person qualified to render such appraisals.
- 3.5 If the sponsoring organization purchases a prize from a related party, the price to be paid must be at cost or substantially less than the appraised value of the prize.
- 3.6 No sponsoring organization or its employees, members, agents or servants, shall give away tickets to a raffle without receiving the full established price for them unless all members of the public have an equal chance to receive bonus chances or books of chances when buying a certain number of chances or books of chances.
- 3.7 The sponsoring organization shall structure the raffle in such a way that it may reasonably be anticipated that the sponsoring organization will retain a percentage of the gross proceeds which is reasonable under the

circumstances and shall retain all of the net proceeds (gross proceeds minus the direct expenses of the raffle) for the purpose specified in their application under ~~28 Del.C. §1430~~ Title 28 of the Delaware Code.

3.8 A raffle may not offer a house or other property as a prize.

3.9 No tickets for a raffle may be sold prior to the charitable organization receiving the permission of the Board to conduct the raffle through a permit or license.

13 DE Reg. 1355 (04/01/10)

4.0 Record Keeping, Financial Control

- 4.1 A record keeper shall be designated from among the members of the organization as defined in **1.0 “Qualified Member”** and shall have been a member for a minimum of two (2) years prior to the commencement of the raffle. The record keeper or his designee shall be responsible for the keeping and distribution of raffle tickets to be sold, the safekeeping of paid-for and completed ticket stubs, and the maintenance of the records prescribed by this section during and after the completion or suspension of the raffle for a period of at least two years.
- 4.2 The raffle ticket shall have at least two parts, one of which is to be retained by the purchaser, and the other to be retained by the record keeper. The record keeper's part must at a minimum contain the purchaser's name, address, and telephone number. All such parts shall be imprinted with sequential serial numbers commencing with the numeral "1" through the maximum number of tickets to be sold.
- 4.3 The record keeper shall maintain and periodically update as the need arises, the following types of records:
 - 4.3.1 all documents, bills of sale, agreements, appraisals or other documents concerning the purchase of the article or articles to be raffled;
 - 4.3.2 all permits, licenses, and any other documents prescribed or required by law as necessary for the lawful conduct of a raffle;
 - 4.3.3 a list or access to a list of all persons authorized to sell raffle tickets or participating in any way in the promotion or operation of the raffle. If raffle tickets are given to one person to sell and this person recruits other persons to help sell raffle tickets, the record keeper need only keep a list of those persons to whom the record keeper has directly distributed raffle tickets.
 - 4.3.4 a ledger book or other suitable record keeping device listing the number of tickets distributed, and the number of tickets returned as sold.
 - 4.3.5 the ticket stubs used to conduct the drawing for a period of not less than six months.
- 4.4 Financial records shall be maintained by the record keeper sufficient to show:
 - 4.4.1 the current amount of proceeds received on account of the raffle;
 - 4.4.2 all expenses related to the conduct of the raffle including printing costs, advertising costs, lawyers fees, appraisal costs, insurance premiums, and any other costs reasonably attributable to the raffle.

5.0 Violations of Regulations

Failure to comply with any of the Regulations shall subject the violator to suspension or revocation of any valid license issued under ~~28 Del.C. §1430~~ Title 28 of the Delaware Code and criminal prosecution.

6.0 Application

- 6.1 All applications for a license to conduct a raffle shall be submitted on a form approved by the Board. The information supplied must include the name, address, and phone number of the sponsoring organization, the prize to be awarded, the value of the prize, the maximum number of tickets to be sold, the cost of each raffle ticket, the date the prize will be awarded, the exact nature of the charitable purpose for which the proceeds will be used, and the name, address and phone number of the person in charge of the organization, and the person designated to be the record keeper for the raffle.
 - 6.1.1 An application must be submitted sufficiently in advance of the proposed date of the function as to allow the Board to consider the application at two consecutive board meetings before deciding to approve or deny the application.
- 6.2 There shall be a license fee of \$15 for each raffle application submitted to the Board for approval.
- 6.3 The Board shall make an investigation of the qualifications of each applicant and the merits of each application. The Board shall consider the impact, if any, of the approval of a new raffle license application on existing licensees within the applicant's geographical location prior to granting the approval, and may deny the application if it concludes that approval of the application would be detrimental to existing licensees.
- 6.4 The Board may issue a license only after it determines that:

- 6.4.1 The applicant is duly qualified to conduct raffles under the State Constitution, statutes, and rules and regulations governing raffles; and
 - 6.4.2 The member or members of the applicant who intend to conduct the games are bona fide active members of the applicant and are persons of good moral character and have never been convicted of crimes involving moral turpitude; and
 - 6.4.3 The proceeds are to be disposed of as provided in the State Constitution and statutes; and
 - 6.4.4 No salary, compensation or reward whatever will be paid or given to any member under whom the game is conducted.
- 6.5 No raffle license application shall be effective for a period of more than one year from the date it was issued.
 - 6.6 No raffle license shall be effective after the organization to which it was granted has become ineligible to conduct the game under any provision of Article II, §17A or §17B of the State Constitution.

2 DE Reg. 1224 (1/1/99)

12 DE Reg. 357 (09/01/08)

13 DE Reg. 1355 (04/01/10)

7.0 Reports After the Drawing

Within thirty (30) days of the date for awarding the prize as specified in the license application, the record keeper shall furnish in writing to the Board, the name and address of each person to whom a prize was awarded, the gross receipts derived from the selling of raffle tickets, and the total expenses incurred for the raffle.

13 DE Reg. 107 (07/01/09)

8.0 Suspension & Revocation of Licenses

- 8.1 Proceedings to suspend or to revoke a license shall be brought by notifying the licensee of the ground thereof and the date set forth for hearing thereon. The Board may stop the operation of a raffle pending a hearing, in which case the hearing must be held within five (5) days after such action.
- 8.2 The Board shall cause the notice of hearing to be served personally on an officer of the licensee or the member in charge of the conduct of the raffle or to be sent by registered or certified mail to the licensee at the address shown in the license. All hearing procedures shall be subject to the requirements of the Administrative Procedures Act, 29 **Del.C.** §10131.
- 8.3 When suspension or revocation proceedings are begun before the Board, it shall hear the matter and make written findings in support of its decision. The licensee shall be informed of the decision, and of the effective date of the suspension or revocation.
- 8.4 When a license is suspended or revoked, the licensee shall surrender up the license to the Board on or before that effective date set forth in the notice of the decision. In no case shall any license be valid beyond the effective date of suspension or revocation, whether surrendered or not.
- 8.5 Upon finding of the violation of these rules and regulations or the Delaware statutes, such as would warrant the suspension or revocation of a license, the Board may in addition to any other penalties imposed, declare the violator ineligible to conduct a raffle and to apply for a license under said law for a period not exceeding thirty (30) months thereafter. Such declaration of the ineligibility may be extended to include, in addition to the violator, any of its subsidiary organizations, its parent organization and any other organization having a common parent organization or otherwise affiliated with the violator, when in the opinion of the Board, the circumstances of the violation warrant such action.

2 DE Reg. 1224 (1/1/99)

9.0 Severability

If any provision of these Regulations or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of these Regulations and the applicability of such provision to other persons or circumstances shall not be affected thereby.

15 DE Reg. 368 (09/01/11)

103 Regulations Governing Charitable Gambling Other Than Raffles

1.0 Definitions

“**Board**” The Delaware Gaming Control Board.

“Charitable Gambling Gaming” Any game or scheme operated by an organization which has been in existence for two (2) years or longer in which chance is the dominant factor in determining the allocation of a prize, excluding slot machines, roulette, craps, baccarat games, or raffles as defined in the Board’s Regulations for Raffles.

“Charitable gaming vendor” is a term which the Board may use to describe a “third party vendor” as that term appears in Title 28 of the **Delaware Code**. It is an entity licensed to do business in Delaware which is in the business of assisting charitable organizations in conducting gaming events through leasing of premises for the events, providing personnel or equipment to help conduct events or providing other assistance which helps the organization to provide the event.

“Function” is a licensed event of Charitable Gambling maintained and conducted by a Sponsoring Organization for the disposal of awards of merchandise, cash, or its equivalent by means of **“Game”** as defined in this section. This includes without limitation thereto, so-called Las Vegas, Casino, or Monte Carlo Nights.

“Game” shall include without limitation card games such as draw poker, stud poker, or blackjack, devices such as big six wheels or similar devices, dice games other than craps, horse racing games, Nevada cards or pull tabs or any other activity similar to these mentioned games approved by the Board.

“Gross Receipts” means the total amount of money or other consideration received as admission fees, income from gambling and except for a bazaar, carnival, festival, or similar affair, from the sale of food and beverages from any one event.

“Instant Bingo” shall mean any game of chance played with sealed or covered cards which must be opened in some fashion by the holder, such that the cards reveal instantly whether the holder has won a prize. This game includes, but is not limited to games commonly known as “rip-offs” and “Nevada pull-tabs.”

“Net Proceeds” is Gross Receipts less license fee, prizes and reasonable and necessary expenses ordinarily incidental to the conduct of a function.

“Officer” as used in these regulations includes owners, directors, partners, members, investors, managers, shareholders or any other person involved in the operation of the business of a charitable gaming vendor. All such persons must undergo the criminal background checks and all other requirements.

“Sponsoring Organization” Any veterans, religious, or charitable organization, volunteer fire company or fraternal society as defined in Article II, §17A or §17B of the State Constitution.

2 DE Reg. 1224 (01/01/99)

15 DE Reg. 886 (12/01/11)

2.0 Licensing List Required To Be Kept: Membership List

Each licensed organization must maintain a list of its current membership by name, address, and a description of the type of membership in the organization which shall be kept available for inspection at all reasonable times.

3.0 Conduct of Games

3.1 Workers.

- 3.1.1 **Member in Charge.** Every Licensed Organization shall designate a bona fide, active member of the licensee to be in charge of and primarily responsible for each Function. The member-in-charge shall have been a member in good standing of the Sponsoring Organization for at least two (2) years. The member-in-charge shall supervise all activities and be responsible for the conduct of all games during the Function of which he or she is in charge, including the preparation of any financial reports required by law or these regulations. The member-in-charge or his qualified designee shall be present on the premises continually during the Function and shall be familiar with the provisions of these Regulations, and the terms of the license. Neither the member-in-charge nor his or her designee may be employed by or in any way assist a third party vendor in performing its duties during the Function.
- 3.1.2 **List of Workers.** A Sponsoring Organization conducting a Function shall prepare and have available on the premises a list of all persons taking part in the management or operation of the Function. Such list shall be maintained as part of the licensee’s records of the Function and shall be made available to any member or agent of the Board or law enforcement officer.
- 3.1.3 **Bona Fide Member.** For the purposes of eligibility to participate in managing or otherwise assisting in the operation of a Function, a person is a bona fide member of the Sponsoring Organization only when he or she:

- 3.1.3.1 Has become a member prior to the commencement of the Function and such membership was not dependent upon, or in any way related to the payment of consideration to participate in, any gambling activity; and,
- 3.1.3.2 Has held full and regular membership status in the Sponsoring Organization for a period of not less than three (3) consecutive months prior to the subject Function; and,
- 3.1.3.3 Has paid any reasonable initiation or admission fees for membership, and/or any dues, consistent with the nature and purpose of the Sponsoring Organization and with the type of membership obtained and is not in arrears in payment of any such fees or dues; and,
- 3.1.3.4 Has met all other conditions required by the Sponsoring Organization for membership and in all respects is a member in good standing at the time of the subject Function; and,
- 3.1.3.5 Has met all of the standards set out above respecting his or her own organization, and he or she is a bona fide member of a bona fide charitable or bona fide nonprofit organization affiliated with or auxiliary to his or her Sponsoring Organization, or to which his or her own Sponsoring Organization is auxiliary; and,
- 3.1.3.6 Has met all of the standards set out above respecting his or her own organization, and this organization has prior to July 6, 1984, assisted the Sponsoring Organization to conduct charitable gambling; and,
- 3.1.3.7 Has met all of the standards set out above respecting his or her own Sponsoring Organization, and this organization is assisting another similar Sponsoring Organization (i.e. fire company assisting another fire company; fraternal society assisting another fraternal society; charitable, religious or veterans organization assisting another charitable, religious, or veterans organization) to conduct charitable gambling.
- 3.1.4 Identification Required. The member-in-charge and those assisting him in any capacity shall possess and display identification.
- 3.1.5 Member Responsible for Gross Receipts. The member responsible for gross receipts shall not be employed by or perform any duties for a third party vendor during the function.
- 3.1.6 No unreasonable commission, salary, compensation, reward, recompense, reimbursement of expenses or gift or other consideration shall be paid directly or indirectly, to any person for conducting or assisting in the conduct of any Function. Organizations may contract with third party vendors to conduct or assist in conducting the Function, and may agree to pay reasonable compensation to the vendor. No tip, gratuity or gift or other consideration shall be given or accepted by any person conducting or assisting in the conduct of a Function either directly or indirectly, and one or more signs prohibiting tipping shall be or more signs prohibiting tipping shall be prominently displayed in each playing area. No tip cups may be placed upon tables, nor may cups intended for donations to the charitable organization be placed upon the table. Donations may be made to the charitable organization but a container to receive such donations must be placed near the entrance to the event and must be accessible to the member in charge. Nothing in this subsection prohibits any person from sharing food and beverages made available at the functions, or the collection of bar tips for the benefit of the Sponsoring Organization.

13 DE Reg. 107 (07/01/09)

13 DE Reg. 1355 (04/01/10)

13 DE Reg. 1580 (06/01/10)

4.0 Limitation of Participation of Certain Persons

No person directly or indirectly connected with the manufacture, sale, lease or distribution of gaming equipment or supplies, or the premises where the function is held if the premises are not owned by a Sponsoring Organization, or the agents, servants or employees of such person, shall conduct, participate, advise or assist in the conduct of a Function or render any service to anyone conducting, participating or assisting in the conduct of a Function including preparation of any form relating thereto.

5.0 Equipment and Premises

- 5.1 Ownership of Equipment. The licensed organization shall conduct games only with equipment owned by it, borrowed from another qualified Sponsoring Organization or which a lessor undertakes to provide by the terms of a written lease. The rental fee contained in such a lease shall be a sum certain and shall be commercially reasonable.
- 5.2 Equipment. Equipment used in the conduct of a ~~bazaar~~ charitable gaming event must be maintained in good repair and sound working condition. Equipment shall be used and operated so that each player is given an equal opportunity to win.

- 5.3 The function shall be held on premises owned or regularly leased by the applicant. If the applicant desires to hold the function at other premises, a separate written request therefor (together with supporting reasons), shall accompany the application. The Board reserves the right to accept or reject any application for the conduct of a Function on specially leased or donated premises.

6.0 Operation of Games

- 6.1 House Rules. Prior to conducting a Function, each Licensed Organization shall develop a set of house rules which will govern the type, scope and manner of all games to be conducted. Among other information, these rules shall establish the maximum amount of wagers consistent with these regulations which may be placed by persons participating in games. In addition, the rules shall prohibit the giving of anything of value to any person involved in the management or operation of the Function and prohibit anyone involved in the management or operation of the Function from accepting anything of value. A copy of the rules shall be posted conspicuously on the premises where the Function is being conducted at all times during the occasion, and a copy thereof shall be made available upon request, to any law enforcement officer or agent of the Board. The maximum wager and a no tipping sign shall be displayed at the location of each game, so as to be conspicuous to those persons participating in said games. The rules for the individual games should be available on the premises for review upon request.
- 6.2 Monitoring of Poker Tables. An association which has obtained the proper license or permit to conduct poker shall assign one monitor during the playing of poker.
- 6.3 In charitable ~~gambling~~ gaming other than bingo and Texas Hold 'Em, there shall be no limit on the amount a person may bet or win, except that no person may lose more than \$150 in a single day or event. This limit applies to the entire event approved to begin on a certain day. If an event continues past midnight, no new limit shall apply. Any person who has lost \$150 during the event shall not be permitted to gamble again after midnight.

11 DE Reg. 516 (10/01/07)

12 DE Reg. 357 (09/01/08)

13 DE Reg. 107 (07/01/09)

7.0 Prohibited Acts

- 7.1 Wagering Among Participants Not Permitted. No Sponsoring organization shall permit, as part of a Function, a gambling activity which involves a wagering or other items of value by one participant directly against another participant, if the activity does not provide for some portion of the proceeds to go to the Sponsoring Organization. This rule shall not be construed to prohibit games wholly administered by the Sponsoring organization wherein the licensee collects wagers from among the participants and determines the winners and amount of prizes on a parimutuel basis.
- 7.2 Credit and Checks. No Sponsoring Organization may extend credit to any patron at a Function. No checks may be cashed for more than \$20 or received by the Sponsoring organization except for the receipt of checks in the exact amount for any admission charge.
- 7.3 Persons Under Age Eighteen. No person under eighteen years of age shall be permitted on that portion of the premises used for a Function.
- 7.4 Transaction of Certain Business Prohibited. No person who is directly or indirectly connected with the manufacture, sale or distribution of gaming equipment or supplies or his agents, servants or employees may be present during a Function for the transaction of business.
- 7.5 Workers Prohibited From Participating. Workers are prohibited from participating in games at any Function during which they participate as workers except that they may participate during their breaks if they continue to display their identification, except that if a Function is scheduled for more than one day, a worker may participate in games on any day on which he does not participate as a worker.

8.0 Limitation of Functions

- 8.1 No Sponsoring Organization shall conduct more than one Function in any single calendar month. Charitable games shall not commence prior to 1:30 p.m. The operation of a Function shall be limited to six (6) consecutive hours. Instant bingo is permitted during any event sponsored by the organization that is licensed to conduct it, regardless of the time.
- 8.2 When a Function is conducted in conjunction with a bazaar, carnival, festival or similar affair scheduled for more than one day but less than ten consecutive days, the Function shall be considered one licensed event. The games may be operated during the hours when other activities of the bazaar, carnival, festival or similar affair are available to the public.

9.0 Record Keeping

- 9.1 Record Keeping. Accurate records and books shall be kept by each Sponsoring Organization including but not limited to detailed financial reports of the amount and source of proceeds, the members participating in the promotion and/or operation of the Function, all expenses and disbursements.
- 9.2 Access to Records. Board personnel shall at all times have access to all books and records of any Sponsoring organization required by subsection (a).
- 9.3 Period for Retention of Records. All records, books of account, bank statements and all other papers incidental to the operation of events by the Sponsoring Organization shall be retained and available for inspection by Board personnel for a period of two years from the close of the calendar year to which the records apply.
- 9.4 Expenses. Each Sponsoring Organization should incur only those expenses which are reasonable and necessary for the promotion and/or operation of a Function.

10.0 Violations of Regulations

Failure to comply with any of the Regulations shall be deemed a violation of 28 **Del.C.** Ch. 11.

11.0 Application

- 11.1 All applications for a license to conduct a Function shall be submitted on a form approved by the Board. The information supplied must include the name, address, and phone number of the Sponsoring organization, a list of the games to be conducted, the wagering limit on each game, the date and time that the function will be held, the premises where the Function will be held, the owner of the premises, the name, address, and phone number of the designated member in charge and the person responsible for the proper accounting and the exact nature of the charitable purpose for which the proceeds will be used.
 - 11.1.1 An application must be submitted sufficiently in advance of the proposed date of the function as to allow the Board to consider the application at two consecutive board meetings before deciding whether to approve or deny the application.
- 11.2 There shall be a license fee of \$15 for each occasion upon which the organization wishes to conduct charitable gambling under a license.
- 11.3 The Board shall make an investigation of the qualifications of each applicant and the merits of each application. The Board shall consider the impact, if any, of the approval of a new charitable gambling license on existing licensees within the applicant's geographical location prior to granting the approval, and may deny the application if it concludes that approval of the application would be detrimental to existing licensees.
- 11.4 The Board may issue a license only after it determines that:
 - 11.4.1 The applicant is duly qualified to conduct the charitable games under the State Constitution, statutes, and rules and regulations governing charitable gaming; and
 - 11.4.2 The person or persons who intend to conduct the games are persons of good moral character and have never been convicted of crimes involving moral turpitude; and
 - 11.4.3 The proceeds are to be disposed of as provided in the State Constitution and statutes; and
 - 11.4.4 No unreasonable salary, compensation or reward whatever will be paid or given to any person under whom the game is conducted.
- 11.5 No charitable gambling license shall be effective for a period of more than one year from the date it was issued.
- 11.6 No charitable gambling license shall be effective after the organization to which it was granted has become ineligible to conduct the game under any provision of Article II, §17A or §17B of the State Constitution.

12.0 Reports After the Function

- 12.1 Within 30 days of the last day of the function, the member-in-charge shall submit a report to the Board that includes all information required by ~~28 Del.C. §1440(a)~~ Title 28 of the Delaware Code.
- 12.2 When no function is held on a date a licensee is authorized to hold such a function, a report to that effect shall be filed with the Board.

- 12.3 If a licensee fails to timely file a report or if a report is not properly verified, no further license shall be issued to the licensee and any existing licensee shall be suspended until such time as the deficiency has been corrected.

2 DE Reg. 1224 (1/1/99)

11 DE Reg. 516 (10/01/07)

13 DE Reg. 107 (07/01/09)

13.0 Suspension and Revocation of Licenses

- 13.1 Proceedings to suspend or to revoke a license shall be brought by notifying the licensee of the ground thereof and the date set forth for hearing thereon. The Board may stop the operation of a charitable gaming function pending a hearing, in which case the hearing must be held within five (5) days after such action.
- 13.2 The Board shall cause the notice of hearing to be served personally on an officer of the licensee or the member in charge of the conduct of the function or to be sent by registered or certified mail to the licensee at the address shown in the license. All hearing procedures shall be subject to the requirements of the Administrative Procedures Act, 29 **Del.C.** §10131.
- 13.3 When suspension or revocation proceedings are begun before the Board, it shall hear the matter and make written findings in support of its decision. The licensee shall be informed of the decision, and of the effective date of the suspension or revocation.
- 13.4 When a license is suspended or revoked, the licensee shall surrender up the license to the Board on or before that effective date set forth in the notice of the decision. In no case shall any license be valid beyond the effective date of suspension or revocation, whether surrendered or not.
- 13.5 Upon a finding of a violation of these rules or of the appropriate statute, a license or permit may be suspended or revoked by the Board. In addition to any other penalty imposed, the Board may declare the violator to be ineligible to apply for a license or permit for a period not to exceed thirty (30) months. Such decision may be extended to include the violator's parent organization, subsidiary organization or any organization having a common parent or otherwise affiliated with the violator, when in the opinion of the Board, the circumstances of the violation warrant such action.

2 DE Reg. 1224 (1/1/99)

12 DE Reg. 357 (09/01/08)

14.0 Ownership

If ownership of a charitable gaming vendor changes, the new owner or owners must submit a valid Delaware business license to the Board immediately. In addition, if a charitable organization was to conduct an event using that third party vendor, the organization must inform the Board that it is aware of the change in ownership and whether it will continue with the event with the new owners.

145.0 Licensure

- 145.1 A charitable gaming vendor must hold a valid business license issued by the State of Delaware, which must remain current. The vendor must inform the Board within ten days if the license lapses. The Board may suspend or revoke a vendor's license for failure to maintain a current Delaware business license or for failing to inform the Board of the loss of a business license.
- 145.2 The vendor also must be licensed by the Board as a charitable gaming vendor. To become licensed, the vendor shall file an application prepared by the Board or by the Division of Professional Regulation ("Division"). The application must be signed by all officers of the vendor.
- 145.3 Investigators assigned to the Division will conduct an investigation to determine the suitability of the applicant for licensure. The investigator will provide his or her recommendation of suitability of each applicant to the Delaware Board of Charitable Gaming. The Division's investigators may access the state and federal criminal history databases for the purpose of reviewing the criminal history of any individual applicant or officer of an applicant.
- 145.4 All officers of such vendors shall be required to undergo criminal background checks as a requirement for licensure. The applicant's officers must contact the State Bureau of Identification ("Bureau") to make arrangements for fingerprint processing. The officers must complete a fingerprint card and form with the necessary personal information and sign an Authorization for Release of Information form to release criminal history records to the Division of Professional Regulation ("Division") and the Delaware Board of Charitable Gaming. At the time of processing the officers must show proof of official identification to complete the criminal history request. A fee is required to be paid for state and federal processing of fingerprint cards and criminal history records. The fee is set by the Bureau, and the officers shall make that payment directly to that agency.

Certified copies of the criminal history record shall be forwarded to the Division. The Bureau shall act as the intermediary for the receipt of the federal criminal history record checks performed by the Federal Bureau of Investigation. The Bureau shall forward the results of these federal record checks to the attention of the Division, along with the results of a report of the individual's entire criminal history record from the Bureau or a statement from the Bureau that its Central Repository contains no such information relating to that person, in a confidential manner. The Division may provide the individual officer with a copy of the criminal history records upon written request. The officer shall have the opportunity to respond to the Division regarding any information obtained prior to a determination of suitability for licensure. Such a response shall be made within ten (10) days of the person's receipt of the criminal background information from the Division.

- 145.5 In making the determination of suitability for licensure, the Board of Charitable Gaming shall consider the background of each individual applicant or officer of the applicant. The licensure requirement shall include the satisfaction of such security, fitness and background standards as the Board may deem necessary relating to competence, honesty and integrity, such that a person's reputation, habits and associations do not pose a threat to the public interest of the State or to the reputation of or effective regulation and control of charitable gaming. It is specifically provided that any person convicted of any felony, a crime involving gambling, or a crime of moral turpitude within ten (10) years prior to applying for a license or any time thereafter shall be deemed unfit, and if such person is an officer of an applicant, the applicant shall be deemed unfit. The Board shall also consider the applicant's or the officer's truthfulness in disclosing requested information, particularly in regard to the criminal history.
- 145.6 The Board shall communicate the results of the determination of suitability in writing to the applicant within sixty (60) days of receipt of the criminal history information, unless extenuating circumstances require a longer period. If the Board determines that an applicant has satisfied the licensing requirements, the applicant will be issued a license. If an applicant is denied a license, the applicant may appeal for reconsideration as set forth below.
- 145.6.1 Appeal may be initiated by an applicant notified that the license was denied by submitting a request for a hearing to the Board of Charitable Gaming within ten (10) days of receipt of the notice of denial.
- 145.6.2 The appeal shall be reviewed by the Board and the person shall be given the opportunity to be heard by the Board within sixty (60) days of receipt of the letter of appeal, unless extenuating circumstances require a longer period. The hearing will be held in accordance with the Administrative Procedures Act, 29 **Del.C.**, Ch. 101.
- 145.6.3 A written decision shall be rendered by the Board within sixty (60) days of the hearing, unless extenuating circumstances require a longer period. All decisions are final and may then be appealed to Superior Court under 29 **Del.C.** §10142.
- 145.7 An determined to be unsuitable for licensure pursuant to this procedure shall be prohibited from reapplying for licensure for a period of twelve (12) months.
- 145.8 All records pertaining to criminal background checks and suitability determinations shall be maintained in a confidential manner including, but not limited to, the following:
- 145.8.1 Access to criminal background check records, letters of reference accompanying out-of-state criminal background checks and determination of suitability of applicants shall be limited to the Board and designated personnel within the Division;
- 145.8.2 All such records shall be kept in locked cabinets or as digital files; and
- 145.8.3 No information from such records shall be released without the signed release of the individual applicant or officer.
- 145.9 All records pertaining to criminal background checks and suitability determinations of applicants for licensure and Board of Charitable Gaming meetings to make suitability determinations shall not be subject to the Delaware Freedom of Information Act, Title 29, Ch. 100.
- 145.10 The license shall expire and be renewable every three (3) years. Ninety (90) days prior to expiration, each licensee shall contact the Division of Professional Regulation and submit a new and updated license application form and undergo an investigation as in the original licensing.
- 145.11 Officers of licensees shall notify the Division of Professional Regulation no later than three (3) days after an arrest for any crime, excluding minor traffic violations. The Division will forward this information to the Board and the Board may proceed to determine the person's continuing suitability as a licensee, and may suspend the license until the criminal charges have been resolved.

15 DE Reg. 886 (12/01/11)

156.0 Maximum Number of Permissible Events

- 156.1 Under the terms of 28 **Del.C.** §1139(c), §1827 and 10 **DE Admin. Code** 103 Rule 8.1, organizations are limited in the number of bingo, Texas Hold 'Em and charitable gaming events which they may conduct. The Board has held that a Delaware charitable organization that establishes a subsidiary group or groups, such as an auxiliary which does not have its own separate Employee Identification Number or Federal Identification Number from the Internal Revenue Service, will be required to share its limited number of permissible events with the subsidiary group. For example, since five (5) Texas Hold 'Em tournaments are permitted in one year under 28 **Del.C.** §1827, the main group and the subsidiary group or groups may have a total of five (5) tournaments between or among them, rather than each entity being permitted to have up to five tournaments.
- 156.2 If the subsidiary group obtains its own separate Employer Identification Number or federal identification number from the Internal Revenue Service, then the subsidiary group may itself have the maximum number of events.
- 156.3 However, the Board views national charitable organizations with Delaware affiliates differently. If there are several affiliates of a national charitable organization in Delaware, and each is independent of the others, each affiliate may seek up to the maximum number of permissible events through use of the notice of charitable standing granted to the national organization, provided the national organization confirms that the affiliate has its permission to do so. Each Delaware affiliate of a national charitable organization may request permission to conduct up to the maximum number of permissible events.

15 DE Reg. 886 (12/01/11)

167.0 Severability

If any provision of these Regulations or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of these Regulations and the applicability of such provision to other persons or circumstances shall not be affected thereby.

15 DE Reg. 886 (12/01/11)

104 Regulations Governing Texas Hold'em Poker

1.0 Reports After the Function

- 1.1 Within 30 days of the last day of the function, the member-in-charge shall submit a report to the Board that includes all information required by ~~28 Del.C. §1440(a)~~ Title 28 of the Delaware Code.
- 1.2 When no function is held on a date a licensee is authorized to hold such a function, a report to that effect shall be filed with the Board.
- 1.3 If a licensee fails to timely file a report or if a report is not properly verified, no further license shall be issued to the licensee and any existing license shall be suspended until such time as the deficiency has been corrected.

2.0 Limitation of Texas Hold 'Em Tournaments

- 2.1 The Board interprets the phrase "with each tournament by the sponsoring organization to be held at least 70 days apart" in ~~28 Del.C. §1827~~ Title 28 of the Delaware Code to mean that no sponsoring organization may conduct a subsequent tournament less than 70 days from the date of their immediately prior tournament.
- 2.2 A sponsoring organization and any auxiliary seeking to hold a tournament with the sponsoring organization's approval may hold up to a total of five tournaments per year. It is not permissible for a sponsoring organization to hold up to five tournaments and for an auxiliary to also hold up to five tournaments per year.
- 2.3 Only a member of the sponsoring organization may receive the funds during the tournament.

12 DE Reg. 357 (9/01/08)

13 DE Reg. 107 (07/01/09)

13 DE Reg. 1580 (06/01/10)

3.0 Re-buys

~~The statutory provisions of 28 Del.C. §1825 and 28 Del.C. §1826(2) do not harmonize. Consequently, the~~
Board has determined that re-buys are optional.

11 DE Reg. 516 (10/01/07)

4.0 Application

An application must be submitted sufficiently in advance of the proposed date of the function as to allow the Board to consider the application at two consecutive board meetings before deciding whether to approve or deny the application.

5.0 Prize Amount

No prize greater in amount or value than \$5,000 shall be offered or given in any single tournament and the aggregate amount or value of all prizes offered or given in any single tournament shall not exceed \$13,000.

6.0 Licensure

- 6.1 All employees, principals, owners and contractors of third party vendors or charitable gaming vendors involved in conducting a Texas Hold 'Em tournament shall be licensed. Only members of the sponsoring organization who are serving as dealers, bookkeepers or treasurers, or as the tournament director for the tournament shall be licensed.
- 6.2 Investigators assigned to the Division will conduct an investigation to determine the suitability of the applicant for licensure. The investigator will provide his or her recommendation of suitability of each applicant to the Delaware Board of Charitable Gaming. The Division's investigators may access the state and federal criminal history databases for the purpose of reviewing the criminal history of any individual applicant.
- 6.3 The applicant must contact the State Bureau of Identification ("Bureau") to make arrangements for fingerprint processing. The applicant must complete a fingerprint card and form with the necessary personal information and sign an Authorization for Release of Information form to release criminal history records to the Division of Professional Regulation ("Division") and the Delaware Board of Charitable Gaming. At the time of processing the applicant must show proof of official identification to complete the criminal history request. A fee is required to be paid for state and federal processing of fingerprint cards and criminal history records. The fee is set by the Bureau, and the applicant shall make that payment directly to that agency. Certified copies of the criminal history record shall be forwarded to the Division. The Bureau shall act as the intermediary for the receipt of the federal criminal history record checks performed by the Federal Bureau of Investigation. The Bureau shall forward the results of these federal record checks to the attention of the Division, along with the results of a report of the individual's entire criminal history record from the Bureau or a statement from the Bureau that its Central Repository contains no such information relating to that person, in a confidential manner. The Division will provide the applicant with a copy of the criminal history records. The applicant shall have the opportunity to respond to the Division regarding any information obtained prior to a determination of suitability for licensure. Such a response shall be made within ten (10) days of the person's receipt of the criminal background information from the Division.
- 6.4 In making the determination of suitability for licensure, the Board of Charitable Gaming shall consider the background of each individual applicant. The licensure requirement shall include the satisfaction of such security, fitness and background standards as the Board may deem necessary relating to competence, honesty and integrity, such that a person's reputation, habits and associations do not pose a threat to the public interest of the State or to the reputation of or effective regulation and control of charitable gaming. It is specifically provided that any person convicted of any felony, a crime involving gambling, or a crime of moral turpitude within ten (10) years prior to applying for a license or any time thereafter shall be deemed unfit. The Board shall also consider the applicant's truthfulness in disclosing requested information, particularly in regard to the criminal history.
- 6.5 The Board shall communicate the results of the determination of suitability in writing to the applicant within sixty (60) days of receipt of the criminal history information, unless extenuating circumstances require a longer period. If the Board determines that an applicant has satisfied the licensing requirements, the applicant will be issued a license. If an applicant is denied a license, the applicant may appeal for reconsideration as set forth below.
 - 6.5.1 Appeal may be initiated by an applicant notified that the license was denied by submitting a request for a hearing to the Board of Charitable Gaming within ten (10) days of receipt of the notice of denial.
 - 6.5.2 The appeal shall be reviewed by the Board and the person shall be given the opportunity to be heard by the Board within sixty (60) days of receipt of the letter of appeal, unless extenuating circumstances require a longer period. The hearing will be held in accordance with the Administrative Procedures Act, 29 Del.C., Ch. 101.
 - 6.5.3 A written decision shall be rendered by the Board within sixty (60) days of the hearing, unless extenuating circumstances require a longer period. All decisions are final and may then be appealed to Superior Court under 29 Del.C. §10142.
- 6.6 An applicant determined to be unsuitable for licensure pursuant to this procedure shall be prohibited from reapplying for licensure for a period of twelve (12) months.

- 6.7 All records pertaining to criminal background checks and suitability determinations shall be maintained in a confidential manner including, but not limited to, the following:
- 6.7.1 Access to criminal background check records, letters of reference accompanying out-of-state criminal background checks and determination of suitability of applicants shall be limited to the Board and designated personnel within the Division;
 - 6.7.2 All such records shall be kept in locked cabinets or as digital files; and
 - 6.7.3 No information from such records shall be released without the signed release of the individual applicant or officer.
 - 6.7.3.1 All records pertaining to criminal background checks and suitability determinations of applicants for licensure and Board of Charitable Gaming meetings to make suitability determinations shall not be subject to the Delaware Freedom of Information Act, Title 29, Ch. 100.

15 DE Reg. 886 (12/01/11)

15 DE Reg. 1679 (06/01/12)

16 DE Reg. 219 (08/01/12) (Final)