

Gaming in Nova Scotia

Did you know that gambling is generally illegal in Canada? Exceptions – the forms of gambling that are legal – are set out in the Criminal Code of Canada. The Code gives provinces exclusive authority to manage and conduct lotteries and lottery schemes, and s. 207 prescribes what lotteries are permitted. In the case of charitable gaming, the provinces may issue licences to charitable organizations when the proceeds benefit a charitable object or purpose.

Nova Scotia's Gaming Control Act and its regulations provide a framework for lottery schemes – bingo, Atlantic Lotto, carnival and charitable gaming and ticket lotteries – to ensure they are operated honestly and with integrity.

Service Nova Scotia's AGFT division is responsible for licensing and regulating lottery schemes in Nova Scotia permitted by the Code:

- ▶ the regulation of all gaming activity conducted by the provincial government
- ▶ the licensing and regulation of other legal gaming activity in the province, in accordance with the principles set forth in the Code

Exceptions to AGFT's authority include the conduct of harness racing and related pari-mutuel activities in the province, which is the responsibility of the Maritime Harness Racing Authority.

This publication helps charitable and non-profit groups in Nova Scotia understand what fundraising activities need a gaming permit or license – and how to get one.

Fundraising: Ticket Lottery Permits & Licenses

Games of chance that require a license or permit have three essential elements:

- ▶ a chance to win
- ▶ an entry fee or cost to participate, called “consideration”
- ▶ a reward or prize

Here are some examples of fundraising activities that do NOT require a permit/license, and some that DO:

Fundraising activities that
DO NOT need a license or permit

Bottle drives
Bake sales
Donations (when no prize is given)
Free giveaway contests
(draws where no purchase and/or entrance fee is required)
Carwashes
Silent or live auctions
Fundraising sales (almonds, popcorn, fruit, meat)

Fundraising activities that
DO need a license or permit

50/50 draws
Sports pools
Chase the Ace draw
Gift/merchandise basket draw
Gift card tree draw
Squares draw (such as Cow Patty Squares)

Does your charitable, religious, or community group need a permit or a license?

That depends on the value of the prize used for the fundraiser:

- ▶ Licenses are issued when the draw's retail prize value exceeds \$4000 (that's \$4000.01 and up)
- ▶ Permits are issued when the draw's retail prize value is up to and including \$4000

Who can apply?

- ▶ A charity registered with Canada Revenue Agency
- ▶ A religious organization, sports team, or community group registered with the Registry of Joint Stocks (RJSC) as a Society or not-for-profit organization in Nova Scotia
- ▶ An educational institution

Gaming licenses and permits are issued for fundraising for non-profit, charitable, and community purposes. They are not available to raise money for business or for personal needs.

What if we are not a registered charitable, religious, or community group?

An applicant may apply for a ticket lottery license or permit if the funds are clearly being used in support of a non-profit youth programming, or community object or purpose.

Otherwise private clubs or groups not registered with RJSC may be eligible for a permit or license if they meet one of the following conditions:

- ▶ they provide a letter from a Registered Charity/Society stating that 100% of the money raised is going to the charity
- ▶ they meet both requirements for a Community Benefit Organizations Lottery permit: 1) tickets will be sold to their membership only, with no advertising or selling to the general public, and 2) the prize value does not exceed \$4000

Use of funds is subject to AGFT approval.

Eligibility Restrictions

- ▶ No individual gain: Criminal Code restrictions do not permit charitable fundraisers for individual gain. Choose fundraisers from the list of activities that do not require a lottery permit or license.
- ▶ No third-party fundraising services: an individual or business cannot be used to operate the lottery. The licensee must ensure that it has complete control over the conduct and management of the ticket lottery license/permit.
- ▶ Registered ticket lottery suppliers only: a licensee may use the services of a ticket lottery supplier to assist with the lottery under the following five conditions:
 - ▶ the ticket lottery supplier must be registered with AGFT
 - ▶ the ticket lottery supplier must operate under the direction of the charitable, religious, or community group
 - ▶ the applicant must notify AGFT at the time of application that a ticket lottery supplier's services will be used
 - ▶ any ticket lottery supplier contracted to assist a licensee with a lottery is limited to collecting a maximum fee of 15% of the net (net means revenue minus prizes)
 - ▶ a contract must be included with the application that verifies this fee limitation

Prize Restrictions

There are restrictions on prizes that can be used. For example, alcoholic beverages, live animals, and used goods cannot be used as a prize. An exception to "used goods" are antiques when a certificate of appraisal is provided.

CONTACT INFORMATION:

Alcohol Gaming Fuel & Tobacco Division (AGFT)

Halifax area: 902-424-6160

Service Nova Scotia

Sydney area: 902-563-3495

<http://novascotia.ca/sns/access/alcohol-gaming.asp>

Toll free 1-877-565-0556

AGDLicense@novascotia.ca

Application forms, bulletins:

<http://novascotia.ca/sns/access/alcohol-gaming/gaming/licences.asp>

Technology Restrictions

The applicant must notify AGFT of the proposed use of technology when making application for the ticket lottery permit/license – such as online ticket sales or handheld devices. The use of such technology may be permitted under certain conditions, but is subject to AGFT approval.

Obtaining a Ticket Lottery License or Permit

Apply early

The standard for processing and approving a lottery application is 10 business days. Plan accordingly. AGFT receives thousands of applications each year and processes them as quickly as possible. Submit your application at least 2 weeks before the sale of tickets is anticipated – and before you print the tickets.

Display your license number

The license number should be shown on all tickets. Exceptions are available for 50/50 event draws, but exceptions must be approved by AGFT. For example, roll tickets may be approved for a 50/50 draw and event based raffles, held over a short period of time (1–2 hours), where participants typically remain for the draw (like hockey games, Chase the Ace). Each request is reviewed separately.

Check on your application

If 10 business days have elapsed since you submitted your application, you may check on the status of your application. Call toll free and select Option #1: 1-877-565-0556