

# Examples of “rules” other jurisdictions\* have adopted to regulate progressive games

\*Nova Scotia, Ontario, P.E.I. and Alberta

## 1. Event Details

- **Prize Structure**
  - The prize structure can vary from a set percentage (20% awarded to winner of each draw, 30% allocated to the progressive jackpot, 50% retained by licensee and from which all allowable expenses will be paid) to a range (minimum of 20% awarded to the winner and cannot exceed 90%)
- **Time Frame**
  - The time frame in which a single progressive lottery event occurs varies from a day to several days or even months and can stipulate the total number of draws.
  - Time frames can also require a draw schedule and specifications
- **Deck of Cards**
  - Some jurisdictions not only allow for the use of a standard deck of cards (52) but also the use of approved gaming supplies from a registered supplier.
  - Use of sealed envelopes for each individual card is a requirement in some jurisdictions
- **Venue Requirements**
  - Conditions surrounding the types of venues that can be used
  - Some jurisdictions require stub tickets to identify two locations for the final draw in order to accommodate a larger crowd should the prize amount exceed a prescribed limit
  - Posting of rules
  - Posting of addiction support resources and contact information
  - Controlled access
- **Advertising and Marketing**
  - Whether an advertising and marketing plan is required and if so, the specifications of the plan
  - Restricted information and activities that cannot be included in advertising and marketing initiatives

## 2. Control Procedures

- **Tickets** – Ticket sales address issues of:
  - whether the total number of tickets printed needs to be included on each ticket in order to inform the prospective participant of the eligibility to win
  - whether tickets can be sold at one or multiple locations,
  - whether tickets can be sold in advance or only on the draw date

- method of payment
- whether tickets can be roll of tickets or when and how stub tickets must be used
- whether tickets can include sponsorship
- requirements for numbering, tracking and recording of tickets and whether tickets must be unique from draw to draw
- whether ticket sellers are permitted to receive a commission, credit or remuneration of any sort
- **Draw Process**
  - Announcements immediately prior to each draw of the draw prize and the progressive jackpot amount
  - Physical specifications for the draw including size of the ticket container, showing empty hands before the draw and handling of the cards, rolling up of sleeves or use of short sleeves, and minimizing the handling of cards and other draw items
  - How winning numbers must be announced, by what means (audio, visual), and the duration of times between draws
  - Whether the winner must be physically present to claim the prize or requirements by which time they must notify the licensee and acceptable methods
  - If removal of tickets is required after each draw is completed
  - How payments must be made (cheque or cash) and the time frame in which they must be paid
  - The specifications of a draw must be videotaped including retention and destruction of the recording, and notification to participants
- **Security** – Some jurisdictions require a security plan to be submitted once the prize amount reaches a specified limit. Plans include items such as the number of personnel, guaranteed trust of the funds, use of a professional accountant for larger draws to oversee ticket sales and reconciliation of money, physical layout of the facility, specified procedures to ensure the safety of participants and winners, communication strategy, exit plan, cash management, and traffic management.

### 3. Licensing Authority

- **Application Guidelines**
  - Application guidelines regularly include what groups are eligible to receive a gaming licence, application information and additional documentation (e.g. letter of credit) required before an application can be considered, changes to an application, frequency of licences, timelines, fees etc.
- **Notification**
  - In some jurisdictions, municipalities are authorized to license progressive lottery games that are up to and including \$50,000. Prize boards that are over \$50,000 are licensed by the provincial or territorial governments however, municipalities or local governments must be notified. The Yukon

government regulates all gaming in the territory however, this raises the issue of whether licensees might need to notify other governments, including First Nation and local governments, and other stakeholders if the prize amount reaches a certain limit.

- **Additional Conditions**

- In addition to the specified conditions some jurisdictions include an ability for the regulator to prescribe additional terms and conditions on a ticket lottery licence or permit as it considers necessary or desirable for the public interest and for the proper administration of the law. This provides some flexibility for the regulator to adapt terms and conditions as gaming regimes change.

#### **4. Monitoring & Reporting Requirements**

- **Monitoring**

- Notification to the registrar and other stakeholders should prize amounts exceed a specified limit.

- **Reporting**

- Specifics of gross receipts and the prizes awarded (including the number of tickets sold, amount of money received, draw prize amount, increases to the progressive jackpot and the final progressive prize awarded), administrative expenses, lottery trust account information, and declaration
- timelines for reporting after each draw
- notification of the regulator once the jackpot is won
- timelines and conditions for retention of winning tickets and videotape recordings