

CHAPTER 124

AN ACT permitting raffles to be conducted remotely at large sporting venues during a declared public health emergency and amending P.L.2018, c.79.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 1 of P.L.2018, c.79 (C.5:8-51.6) is amended to read as follows:

C.5:8-51.6 Conduct of raffles at large sporting venues, or remotely.

1. a. It shall be lawful for an organization eligible to conduct raffles in accordance with section 2 of P.L.1954, c.5 (C.5:8-51) and registered and licensed with the Legalized Games of Chance Control Commission to conduct, whether in person at any time or remotely while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect, raffles in a large sporting venue located in a municipality where the provisions of the "Raffles Licensing Law," P.L.1954, c.5 (C.5:8-50 et seq.), are operative, provided that all other requirements to conduct raffles are met. To the extent any conflict exists between this act, P.L.2018, c.79 (C.5:8-51.6), and the "Raffles Licensing Law," P.L.1954, c.5 (C.5:8-50 et seq.), then the provisions set forth in this act shall govern.

For the purposes of this section, the conduct of the raffle remotely using the Internet or other electronic means shall be deemed to be the conduct of the raffle at the large sporting venue, and shall be deemed to take place only thereat, regardless of any participant's physical location within this State, provided the large sporting venue and the specific event with which the conduct of the raffle is associated are conspicuously and specifically identified in conjunction with the raffles and remote ticket sales, personnel of the organization conducting the raffle, whether or not through a third-party vendor, are located in the venue at the time of the sale and drawing of any ticket, and the drawing and the announcement of any winning raffle tickets occurs prior to the end of the event at the large sporting venue with which the raffle is associated.

An organization conducting a raffle at a large sporting venue is subject to the following requirements:

(1) The organization conducting the raffle, in conjunction with the large sporting venue, shall announce the winner or winners of a raffle on the date on which the event with which the raffle is associated occurs. The organization and the large sporting venue shall post each winning raffle ticket number on their respective websites, if such websites have been established, on the same date as the announcement, which number shall be posted for one year or until each winner claims the prize and submits any required documentation. For raffles conducted in person, any prize from a raffle shall be delivered to a claimant verified to have the winning ticket within 30 days of the event in which the raffle took place; however, if no claimant verified to have the winning ticket claims the prize and signs all reasonably necessary documentation within 30 days of the event at which the raffle took place, the organization conducting the raffle shall hold the proceeds for a period of one year from the date of the raffle. If no claimant with the winning raffle ticket claims the prize and has signed all reasonably necessary documentation within one year from the date of the drawing, then the prize shall be forfeited and shall revert back to the organization for its own authorized use. For any raffles conducted remotely while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222

(C.26:13-1 et seq.), has been declared by the Governor and is in effect, any prize from a raffle shall be delivered at the large sporting venue at which the event with which the raffle was associated occurred to a claimant verified to have the winning ticket within one year of the event during which the raffle took place. If no claimant with the winning raffle ticket claims the prize and has signed all reasonably necessary documentation within one year from the date of the drawing, then the prize shall be forfeited and shall revert back to the organization for its own authorized use.

Notwithstanding the foregoing, any prize which due to its nature must be claimed by a date certain, such as a ticket to an event scheduled at the large stadium venue, which is not claimed within 72 hours of the event, then the prize shall be forfeited and shall revert back to the organization for its own authorized use.

(2) Any daily and annual limits on the value of prizes contained in existing law or regulation shall not apply to raffles conducted at large sporting venues in accordance with this act, P.L.2018, c.79 (C.5:8-51.6).

(3) On a quarterly basis in accordance with a schedule established by the commission, an organization conducting raffles in a large sporting venue in accordance with this act, P.L.2018, c.79 (C.5:8-51.6), shall furnish to the control commission a duly verified statement showing the amount of the gross receipts derived from each raffle held, operated, or conducted in the preceding quarter, which shall include receipts from the sale of shares, tickets, or rights in any manner connected with participation in the raffle or the right to participate therein, each item of expense incurred or paid, and each item of expenditure made or to be made, name and address of each person to whom each such item has been or is to be paid, with a detailed description of the merchandise purchased or the services rendered therefor, the net proceeds derived from each such raffle, and the uses to which such net proceeds have been or are to be applied and a list of prizes offered or given, with the respective values thereof and it shall be the duty of each organization to maintain and keep such books and records as may be necessary to substantiate the particulars of each such report.

(4) An organization shall not conduct a raffle remotely unless the organization has received written approval from and is operating the raffle in conjunction with the large sporting venue and has received written approval from the Legalized Games of Chance Control Commission of measures it proposes and implements that ensure, to the greatest extent possible, the fairness, integrity and security of the remote conduct of the raffle and the security of the method of receipt of payment for any raffle ticket sale. The commission may consult with the Division of Gaming Enforcement in the Department of Law and Public Safety in its review of the measures the organization proposes and implements.

b. Notwithstanding section 9 of P.L.1954, c.5 (C.5:8-58), an organization conducting raffles at a large sporting venue may conduct raffles on Sunday. Alcohol may be served at the sporting venue during the conduct of raffles provided that the sporting venue is the holder of a sporting facility license in accordance with R.S.33:1-12, or other appropriate license, to serve alcohol at retail for consumption on the premises by the glass or other open receptacle or in original containers. An organization conducting raffles at a large sporting venue is not required to conduct the drawings openly and in plain view of all players present.

c. Tickets for raffles conducted in person at a large sporting venue may be sold only by in-person transactions within the geographic area of the large sporting venue electronically or by the issuance of paper tickets, and through devices operated or kiosks staffed by individuals who are employed by or represent the organization conducting the raffle. Tickets for raffles conducted remotely while the Public Health Emergency declared by the Governor

in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect, may be sold remotely to purchasers physically located within this State, using the Internet or other electronic means, in accordance with this subsection. Tickets for raffles may not be purchased electronically by the public other than through transactions with the personnel of the organization conducting the raffle, whether or not such transaction is completed through a third-party vendor. Transactions between the purchaser and individuals who are employed by or otherwise represent the organization conducting the raffle may be made by cash, credit card, or other electronic payment methods, including, but not limited to, the utilization of Internet or intranet access (Wi-Fi or cellular connectivity). The sale and purchase of tickets remotely using the Internet or other electronic means shall be deemed to take place only at the large sporting venue regardless of a purchaser’s physical location within this State, provided the personnel of the organization conducting the raffle, whether or not through a third-party vendor, is located in the venue at the time of sale. An organization conducting a raffle remotely using the Internet or other electronic means shall establish and adhere to procedures and controls, including but not limited to the use of geolocation technology, approved by the commission that ensure, to the greatest extent possible, that raffle tickets will be sold only to persons physically located in this State. Tickets for raffles conducted in accordance with this act, P.L.2018, c.79 (C.5:8-51.6), shall not be subject to any ticket price limits set for the general conduct of raffles. Pre-set bundles of tickets may be sold at a discount to participants.

d. Pursuant to P.L.2018, c.79 (C.5:8-51.6) and notwithstanding the provisions of subsection b. of section 2 of P.L.1954, c.5 (C.5:8-51), a 50-50 raffle shall have the raffle's net proceeds divided between the raffle winner and the organization conducting the raffle as a prize, and the prize may be awarded to a single participant or may be divided between a pre-determined number of participants. If the prize is to be divided between more than one participant, potential participants shall be made aware of such a division. No more than one 50-50 raffle as described in this subsection shall be conducted during a ticketed event.

e. An organization conducting a raffle in person at a large sporting venue may sell only traditional paper tickets, may use only electronic raffle systems, or may use a combination of paper and electronic raffle systems. An organization conducting a raffle remotely at a large sporting venue while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect, may also use the Internet or other electronic means, including software applications. Drawings for all raffles may be conducted either by a traditional drawing of duplicate paper tickets or electronically, with the winner or winners selected by electronic means. For raffles conducted in paper form where winners are chosen electronically or in combination of paper and electronic raffle systems, the paper tickets shall be entered into the electronic raffle system for record-keeping and for drawing purposes so that the purchases of paper tickets have an equal chance of winning as the purchases of electronic rights.

f. Notwithstanding the provisions of P.L.1954, c.5 (C.5:8-50 et seq.), or any other law, rule, or regulation to the contrary, an organization conducting a raffle at a large sporting venue shall be permitted to deduct from gross revenues its reasonable costs and expenses of conducting the raffle.

g. The commission, in consultation with the Division of Gaming Enforcement in the Department of Law and Public Safety, shall promulgate, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations governing the conduct of raffles remotely using the Internet or other electronic means in accordance with the provisions of this section.

h. As used in this section:

"Electronic raffle systems" means hardware, software, including software applications, internet, cellular, or Wi-Fi connected devices and associated devices that enable raffles to be conducted entirely by electronic means, with rights to participate sold electronically by individuals who are employed by or otherwise represent the organization conducting the raffle, that generate a unique electronic entry to the raffle that is the equivalent of a paper ticket, each an electronic ticket which may be delivered to the purchaser electronically, at the point of sale on the premises of the large sporting venue recorded in the electronic raffle system as eligible entries or rights to participate, and winners determined by random drawing from all electronic entries or rights to participate.

"Internet or other electronic means" shall not include electronic raffle systems.

"Large sporting venue" means a stadium, arena, or similar venue with minimum seating for 8,000 spectators wherein professional, semi-professional, or collegiate athletes compete in sports or other athletic games and including the parking lots adjacent to and serving the patrons of that venue.

"Net proceeds" means the gross income from the sale of tickets or rights to participate in a raffle, less only such actual expenses incurred as are authorized in the "Raffles Licensing Law," P.L.1954, c.5 (C.5:8-50 et seq.), and by the commission.

2. An organization eligible to conduct raffles in accordance with section 2 of P.L.1954, c.5 (C.5:8-51) and registered and licensed with the Legalized Games of Chance Control Commission may conduct raffles remotely using the Internet or other electronic means, including mobile, tablet, or other software applications, on or after the date of enactment of this act, P.L.2020, c.124, but prior to the adoption of the rules and regulations promulgated pursuant to subsection g. thereof, provided the organization is able to ensure, to the greatest extent possible, the fairness, integrity, and security of the conduct of the raffle and the security of the method of receipt of payment for any raffle ticket sale, subject to the approval of the commission as required by section 1 of P.L.2018, c.79 (C.5:8-51.6).

3. This act shall take effect immediately.

Approved November 18, 2020.