

55 N.J.R. 605 (b)

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RULE ADOPTIONS

Reporter

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Agency

LAW AND PUBLIC SAFETY > DIVISION OF CONSUMER AFFAIRS > LEGALIZED GAMES OF CHANCE CONTROL COMMISSION

Administrative Code Citation

Adopted Amendments: N.J.A.C. 13:47-1.1, 3.6, 4.9, 6.11, 6.20, 8.1, 8.3, 8.4, 8.5, 8.9, 8.36 through 8.44, 13.1, 13.6, and 13.9

Text

Punch-Board Games

Proposed: May 2, 2022, at 54 N.J.R. 774(a).

Adopted: October 12, 2022, by the Legalized Games of Chance Control Commission, Steve P. Layman, Chairperson.

Filed: March 7, 2023, as R.2023 d.043, **without change**.

Authority: N.J.S.A. 5:8-51 and 5:8-51.5 (P.L. 2017, c. 380).

Effective Date: April 3, 2023.

Expiration Date: October 15, 2028.

Summary of Public Comment and Agency Response:

The official comment period ended July 1, 2022. **No comments were received.**

Federal Standards Statement

A Federal standards analysis is not required because the adopted amendments are governed by N.J.S.A. 5:8-51 and 5:8-51.5 and are not subject to any Federal requirements or standards.

Full text of the adoption follows:

SUBCHAPTER 1. DEFINITIONS

13:47-1.1 Words and phrases defined

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

. . .

"Flare" means the information sheet provided by the manufacturer that describes a particular instant raffle or punch-board game.

. . .

"Punch-board" means a board with a number of openings of uniform size in which the manufacturer placed, at random, slips of paper, or other substances or punches imprinted with numbers or symbols; where a flare or face sheet covers the openings and sets out the winning numbers or symbols and which prizes a player may win; and the punches have specific serial numbers assigned and printed on them.

"Punches" means slips of paper or other substances inserted in a punch-board game with the serial number of the punch-board game and either numbers or symbols.

. . .

"Seal card" means a board or placard used in conjunction with an instant raffle game or punch-board game that contains a seal or seals which, when removed or opened, reveals a pre-designated number, letter, symbol, or monetary denomination that awards a prize to the winner. Some winners may qualify for an additional top-tier monetary prize.

. . .

SUBCHAPTER 3. APPLICATIONS

13:47-3.6 Bingo and raffle; separate application and license

(a) (No change.)

(b) A separate application and license shall be used for each of the following types of raffles and shall, in each instance, specify the particular type of raffle, as follows:

1.-7. (No change.)

8. Instant raffle game or punch-board game offering cash as a prize;

[page=606] 9.-11. (No change.)

(c)-(e) (No change.)

SUBCHAPTER 4. LICENSE ISSUANCE

13:47-4.9 Licensing fees payable to the Control Commission

(a) (No change.)

(b) The licensing fees payable to the Commission are:

1.-8. (No change.)

9. Instant raffle games or punch-board games awarding cash as a prize:

i. \$ 20.00 for each day on which instant raffle tickets or punches are sold or offered for sale; or

ii. \$ 750.00 for a one-year license to sell, or to offer for sale, instant raffle tickets or punches during that year.

10.-12. (No change.)

(c) (No change.)

SUBCHAPTER 6. GENERAL CONDUCT OF GAMES OF CHANCE

13:47-6.11 Frequency and location of games

(a) No registered organization shall conduct any game(s) of chance more often than as set forth in this section:

1.-7. (No change.)

8. No instant raffle game or punch-board game shall be held, operated, or conducted at any location or on any date within the licensing municipality unless the license indicates each location where, and each date when, the instant raffle games or punch-board games are to be held, operated, or conducted and conforms to the provisions at N.J.A.C. 13:47-6.9.

9.-10. (No change.)

(b)-(d) (No change.)

13:47-6.20 Prohibited prizes

(a) (No change.)

(b) A prize consisting of cash or money shall not be offered or awarded except in the case of:

1. A raffle conducted by drawing with the prize(s) equaling 50 percent of the amount received for all tickets or rights to participate;

2. (No change.)

3. An instant raffle game or punch-board game having a maximum prize amount of \$ 1,500.00 for any one ticket or punch, held, operated, and conducted pursuant to N.J.A.C. 13:47-8;

4.-5. (No change.)

(c) An instant raffle game or punch-board game shall not offer merchandise as a prize.

SUBCHAPTER 8. CONDUCT OF RAFFLES

13:47-8.1 Prohibition on members buying draw raffle tickets, instant raffle tickets, and punches

(a) (No change.)

(b) The member in charge of an instant raffle game or punch-board game pursuant to N.J.A.C. 13:47-6.1, the member in charge of proceeds pursuant to N.J.A.C. 13:47-6.2, and any members or compensated workers selling tickets or punches or paying out prizes in an instant raffle game or punch-board game shall not:

1. Purchase instant raffle tickets or punches or the right to participate in an instant raffle game or punch-board game;

2. (No change.)

3. Win any prize awarded in the instant raffle game or punch-board game.

(c) If an instant raffle game or punch-board game takes place at a bingo occasion, the member in charge of bingo pursuant to N.J.A.C. 13:47-6.1, the member in charge of bingo proceeds pursuant to N.J.A.C. 13:47-6.2, and any members or compensated workers assisting in the bingo occasion shall not:

1. Purchase instant raffle tickets or punches or the right to participate in an instant raffle game or punch-board game;

2. (No change.)

3. Win any prize awarded in the instant raffle game or punch-board game.

13:47-8.3 Amount of prize limitation; maximum charge

(a)-(d) (No change.)

(e) A single opportunity to participate in any instant raffle game or punch-board game shall not cost more than \$ 3.00.

(f) Instant raffle tickets or punches shall be sold only for the price stated by the manufacturer on the instant raffle ticket, punch-board game, and the flare.

(g) No person shall alter an instant raffle ticket, punch, or flare or offer or award a prize other than that designated by the manufacturer on the instant raffle ticket, punch, or flare.

13:47-8.4 Method of play

(a)-(c) (No change.)

(d) In an instant raffle game or punch-board game using a seal card:

1. (No change.)

2. Names of holders of instant raffle tickets or punches which contain the matching predesignated numbers on the seal card shall be printed on the appropriate line next to that number on the seal card;

3. When the seal card is completed or all the tickets or punches have been sold, the seal(s) shall be removed to reveal the prize and the winning line(s); and

4. A winner of a seal card shall show the ticket or punch to the member in charge of the conduct of games.

(e) (No change.)

(f) In a punch-board game, including those with a seal card:

1. No game shall include more than 2,000 punches; and

2. No game shall be sold or offered for sale unless the prize schedule of the game is structured to pay out at least 65 percent of the ideal gross receipts to the players.

(g) If all prizes in the top-two winning tiers of an instant raffle game or punch-board game have been awarded, a registered organization may close that game and account for the actual profit from each deal.

(h) If a registered organization closes a game in which some instant raffle tickets or punches remain unsold, the organization shall retain all unsold raffle tickets or punches for a period of three years.

13:47-8.5 Method of determining winners; announcement

(a)-(b) (No change.)

(c) In an instant raffle game or punch-board game, a registered organization shall not award a prize to any player who attempts to redeem an instant raffle ticket or punch that has been marked, defaced, or tampered with in any manner.

(d) In an instant raffle game or punch-board game, when a winning instant raffle ticket or punch is presented, the organization redeeming the instant raffle ticket or punch shall verify, before paying the prize, that the serial number and form number on the ticket or punch are identical to the serial number and form number of the instant raffle deal or punch-board game currently in play at that particular location.

(e) An organization shall immediately void a redeemed winning instant raffle ticket or punch by defacing it, but shall not deface that area of the ticket or punch that displays the winning number or symbol.

(f) (No change.)

13:47-8.9 Form of ticket or punch; approval

(a)-(c) (No change.)

(d) The approval procedure set forth at (a), (b), or (c) above shall not apply to instant raffle games or punch-board games. No instant raffle game or punch-board game shall be sold in this State unless it complies with the standards set forth in this chapter.

13:47-8.36 Instant raffle game or punch-board game: flare; contents; posting; replacement

(a) The flare for each instant raffle deal in play shall be conspicuously posted in full view of the players at the location where the instant raffle game or punch-board game is held, operated, or conducted.

(b) A flare describing an instant raffle game or punch-board game shall contain at least the following information:

1.-2. (No change.)

3. For an instant raffle game, the form number;

4. (No change.)

5. The cost per play;

6. The game serial number; and

[page=607] 7. For a punch-board game, identification of the amount of numbers or symbols on each punch.

(c) (No change.)

(d) No organization shall post a copy or facsimile of any flare for an instant raffle game or punch-board game that has not been provided by the manufacturer or distributor of the game.

(e) When the flare for an instant raffle game or punch-board game is lost or damaged beyond use, the instant raffle game or punch-board game shall be removed from play until the replacement flare is obtained.

13:47-8.37 Instant raffle ticket and punches: standards

(a) (No change.)

(b) Punches sold in this State shall include the serial number for the punch-board game and numbers or symbols.

13:47-8.38 Instant raffle game or punch-board game: sales; credit prohibition; disposition

(a)-(c) (No change.)

(d) Entities selling instant raffle equipment or punch-board games for use in this State must be licensed as instant raffle equipment or punch-board games suppliers.

(e) Licensed instant raffle equipment suppliers must include the following statement on or attached to invoices for all sales of instant raffle games or punch-board games:

"Sales of instant raffle games or punch-board games in the State of New Jersey are governed by the Raffles Licensing Law, N.J.S.A. 5:8-50 et seq., and the rules governing games of chance, N.J.A.C. 13:47. Only organizations registered with the Legalized Games of Chance Control Commission and holding a valid license from the municipality to conduct instant raffles or punch-board games, or entities licensed by the Commission as instant raffle equipment or punch-board games suppliers may purchase instant raffle games or punch-board games that are intended for use in New Jersey. Violations are punishable with penalties of up to \$ 7,500 for the first offense and up to \$ 15,000 for second and subsequent offenses. Criminal sanctions may also apply."

13:47-8.39 Instant raffle game or punch-board game: ban; recall; defective deals; refunds

(a) A registered organization shall not sell or continue to sell any deal of instant raffle tickets or punches that the organization discovers, or has been notified by a manufacturer

or distributor, does not meet the standards contained in this subchapter.

(b) A registered organization shall return to the manufacturer or distributor from which it was purchased any deal or punch-board game that does not conform to the standards contained in this chapter for a full refund. The organization shall notify the Commission, in writing, that it has returned the nonconforming deal to the manufacturer or distributor and shall enclose with the notification a copy of the sales invoice.

(c) If the Control Commission determines that deals of instant raffle tickets or punches sold or offered for sale in this State do not conform to the standards contained in this chapter, the Control Commission shall take appropriate action including, but not limited to:

1. Directing further sales of the instant raffle tickets or punches be stopped, pending review of the games by the manufacturer and the correction of any nonconformity;

2. Ordering a recall of the nonconforming instant raffle deal(s) or punch-board game(s); and

3. (No change.)

(d) Upon receipt of the Commission's order directing a recall or other relief, a distributor shall, within 72 hours, notify, in writing, by certified and regular mail, all registered organizations that have purchased the recalled deals or punch-board games that the deals or games are being recalled by order of the Commission and shall arrange for the return of the recalled deals to the distributor. The registered organization shall provide copies of those notices to the Commission within 72 hours of mailing the notices.

13:47-8.40 Instant raffle game or punch-board game: broken seal; use prohibited

(a) No manufacturer or distributor shall sell, offer to sell, or provide any instant raffle tickets or punches from a container that has been opened or whose seal or tape outside has been tampered with in any way.

(b) No registered organization shall sell, offer to sell, or provide for play, any instant raffle tickets or punches where the seal or tape on the container has been tampered with in any way.

13:47-8.41 Instant raffle game or punch-board game: organization records

(a) An organization shall retain accounting records for three years from the last date on which the instant raffle game or punch-board game was conducted. The records shall include the following:

1. (No change.)
2. All redeemed defaced winning instant raffle tickets or punches;
3. All unsold instant raffle tickets or punches;
4. An accounting of each deal's or game's:
 - i.-ii. (No change.)
 - iii. Cost of the deal or game; and
 - iv. (No change.)
5. The date each deal or game was placed into play; and
6. The number and value of redeemed instant raffle tickets or punches.

(b) Daily records shall be available at the location where instant raffle games or punch-board games are held, operated, or conducted during the period of time in which the game is held, operated, or conducted. Daily records shall include the following:

- 1.-5. (No change.)
6. The number and value of all instant raffle tickets or punches redeemed.

13:47-8.42 Instant raffle game or punch-board game: recordkeeping; manufacturer; distributor

(a) A distributor and manufacturer shall maintain complete, accurate, and legible general and subsidiary accounting records. The records shall be retained for three years measured from the date of sale, and shall include, by month:

1. Purchase orders reflecting the name, address, and identification number of the registered organization for any service or equipment for use in, or in connection with, the sale or distribution of any instant raffle game or punch-board game in this State;
2. Sales invoices reflecting the name, address, and identification number of the registered organization for any service or equipment for use in, or in connection with, the sale

or distribution of any instant raffle game or punch-board game in this State; and

3. All instant raffle game or punch-board game equipment that has been returned to the manufacturer or distributor.

13:47-8.43 Instant raffle game or punch-board game: sales invoice

(a) Sales invoices for instant raffle games or punch-board games shall conform to the following standards:

1.-2. (No change.)

3. Each invoice shall include:

i.-iv. (No change.)

v. The name and address of the person to whom the instant raffle game or punch-board game equipment was shipped;

vi.-vii. (No change.)

viii. A description of each item of instant raffle game or punch-board game equipment, including the name of the game, serial number, form number, and quantity of equipment; and

ix. (No change.)

13:47-8.44 Instant raffle game or punch-board game: inventory control; manufacturer; distributor

(a) A manufacturer or distributor shall establish and maintain a perpetual inventory control system to account for deals of instant raffle tickets or punches that are manufactured by, purchased by, or which are returned by a registered organization, including instant raffle equipment or punch-board games returned to the manufacturer or distributor for a credit. The system shall account for the sale or other disposition of each item.

(b) Perpetual inventory records shall separately account for the quantity of deals of instant raffle tickets or punches acquired, sold, or provided and those remaining in inventory, by:

1.-2. (No change.)

3. The name, form number, and serial number of the instant raffle game or punch-board game.

[page=608] SUBCHAPTER 13. RAFFLES AND BINGO EQUIPMENT PROVIDERS; INSTANT RAFFLE EQUIPMENT PROVIDERS; ARMCHAIR RACE AND

CASINO NIGHT EQUIPMENT AND PERSONNEL PROVIDERS; FEES;
NOTIFICATIONS; QUALIFICATIONS

13:47-13.1 Application

(a) An applicant desiring to manufacture, provide, or supply equipment, including electronic games of chance systems, or to supply personnel for an armchair race, bingo, casino night, raffle, instant raffle, or punch-board game for use in, or in connection with, holding, operating, or conducting an armchair race, bingo, casino night, raffle, instant raffle game, or punch-board game shall first be approved by the Control Commission.

(b)-(g) (No change.)

(h) Each applicant desiring to be an instant raffle equipment or punch-board game supplier shall forward, together with a completed Form 22, a non-refundable application fee of \$ 100.00 by check or money order made payable to the order of the Legalized Games of Chance Control Commission.

13:47-13.6 Approval; time limitations; renewal; fees

(a)-(b) (No change.)

(c) Upon notification of approval by the Control Commission, each instant raffle equipment or punch-board game supplier shall forward an annual licensing fee of \$ 3,000 by certified check or money order made payable to the order of the Legalized Games of Chance Control Commission. The approval to supply instant raffle equipment or punch-board game and personnel, when granted, shall be valid for one year.

(d) Prior to the expiration of the current annual license period, each licensed instant raffle equipment or punch-board game supplier shall submit an application for license renewal together with the annual license renewal fee.

(e)-(j) (No change.)

13:47-13.9 Reporting requirements

(a)-(b) (No change.)

(c) On the 15th day of each month, each person approved by the Control Commission to supply equipment for use in, or in connection with, the conduct of instant raffle games or punch-board games shall file a report with the Control Commission containing the following information:

1. (No change.)

2. The name, address, and identification number or license number issued by the Control Commission to each organization or supplier to which instant raffle equipment or punch-board game was supplied in the preceding month;

3. A complete description of the instant raffle equipment supplied, including the type and quantity of the equipment and the form and serial number of each instant raffle game or punch-board game;

4. The date the instant raffle equipment or punch-board game was delivered to the licensed organization or distributor;

5.-7. (No change.)

8. Any returned instant raffle equipment or punch-board games.

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