

ANNOUNCEMENT CONCERNING RAFFLE REGULATION AMENDMENTS

The Department of Charitable Gaming anticipates that amendments to the raffle regulation, 820 KAR 1:050, will take effect on March 4, 2021. The emergency regulation that has governed online raffles since May 22, 2020, expired on February 16, 2021. The regulation governing your organization's raffle could depend upon when your organization began its raffle, so below is a guide to how your organization should conduct raffles in light of changes in the law.

Background

On May 22, 2020, the Department of Charitable Gaming filed an emergency regulation to allow licensed charitable organizations to conduct online raffles using publicly-accessible, third-party random number generators. As an emergency regulation, this regulation went into effect immediately, and many licensed charitable gaming have conducted online raffles following the provisions of this emergency regulation.

As required by KRS Chapter 13A, the Department filed the regulation intended to replace this emergency regulation at the same time it filed the emergency regulation. This regulation includes technical specifications and security requirements for electronic and online raffle systems that are consistent with industry-standard regulations, which the Department believes is necessary to ensure the integrity of online raffles and protect the public. This regulation further requires that charities only use online raffle systems that have been created by a licensed manufacturer, sold or leased by a licensed distributor, and certified by an independent testing lab to ensure that the software complies with the technical and security requirements in the regulation. The Department anticipates that the new regulation will take effect on March 4, 2021.

Emergency regulations are valid for 270 days or until the ordinary regulation replacing the emergency regulation is enacted. The emergency regulation that the Department filed on May 22, 2020, expired on February 16, 2021. Between February 17, 2021, and the date the new regulation is enacted, the current applicable law is the version of 820 KAR 1:050 that existed prior to the filing of the emergency regulation.

In order to avoid disruptions to raffles that are currently underway, **the Department will permit any charitable organization that requested to be licensed to conduct a raffle and began selling tickets for the raffle under the provisions of emergency regulation to complete the raffle ticket sales and conduct the drawing under the terms of the emergency regulation**, even if the drawing occurs after the expiration of the emergency regulation or after the enactment of the new regulation.

Which Version of the Regulation Applies to Your Organization's Raffle?

- If your organization began its raffle any time **between May 22, 2020, and February 16, 2021**, you may continue conducting your raffle under the provisions of the emergency regulation. Your organization may use a publicly-accessible, third-party random number generator instead of drawing tickets from a physical receptacle. Please [review the regulation here](#) for the full list of requirements.
- If your organization began its raffle **between February 17, 2021, and March 3, 2021**, your raffle is subject to the provisions of [the old raffle regulation](#). Your organization must provide all purchasers with a detachable section or duplicate ticket, and you must draw the winning ticket from a physical receptacle.

- If your organization begins its raffle **on or after March 4, 2021**, the raffle must comply with the [new regulation](#). Your organization cannot use any online raffle system unless it has been created by a licensed manufacturer, sold or leased by a licensed distributor, and tested and approved by an independent lab. Unfortunately, at this time there are no online or electronic raffle systems that have been certified and approved under the terms of the new regulation.

DCG Suggestions for Maintaining Health and Safety Protocols

Because no online raffle systems have been approved under the new regulations and no such systems are yet available for Kentucky charities, below is some guidance the Department can offer organizations who want to continue utilizing the Internet to conduct raffles and maintain social distancing following the expiration of the emergency regulation:

- Organizations may continue to sell tickets via electronic communications, such as email, telephone, or text message, so long as they do not use an unlicensed online raffle software platform.
- Until licensed and approved online raffle systems are approved, organizations must print physical tickets and draw them from a physical receptacle.
- Organizations may satisfy the requirement to provide purchasers with a detachable section or duplicate ticket by providing an electronic copy of the ticket by email or text message. Please remember that federal law prohibits sending raffle tickets by mail.
- Organizations may satisfy the requirement that any purchaser must be given the opportunity to view the raffle drawing by livestreaming the event online and providing the link to the livestream to anyone who purchases a raffle ticket.