



April 25, 2003

Log # 215133

To: All Hobby Group Administrators

There has been some confusion about the circumstances under which hobby groups may conduct licensed gaming events, such as ticket raffles. I am writing to clarify this matter.

The objective of the Province of British Columbia is to ensure any such events are conducted in a manner consistent with the *Criminal Code* of Canada, and under the authority of BC's *Gaming Control Act*.

This process is managed for the Province by the Gaming Policy and Enforcement Branch.

Hobby groups include, for example, quilting groups, gardening groups and automobile clubs.

The ability of the Province to license a hobby group to conduct a raffle depends on the group's intended use of the net proceeds from the event. Net proceeds represent the revenue generated by the raffle after deducting the cost of prizes and legitimate operating expenses.

A hobby group cannot be licensed to conduct and manage a raffle, if it intends to retain the net proceeds for its own purposes.

A hobby group may be issued a raffle licence if it donates all net proceeds from the raffle to one or more eligible charities in the community. The hobby group may recover a reasonable cost for producing the raffle prize(s).

Alternatively, a charity may apply for a licence to raffle the product of a hobby group. The raffle prize(s) can be purchased from the hobby group and that cost deducted from the raffle's gross revenue.

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**Ministry of
Public Safety and
Solicitor General**

Gaming Policy and
Enforcement Branch

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In either circumstance:

- The charity, or charities, benefit from the net proceeds of the raffle;
- The hobby group may recover the costs of producing the prize(s) for a raffle; and
- Revenue reports to the Branch must show the cost of the prize(s) as deducted from the gross revenue.

This is not a change in policy. Under Canada's *Criminal Code*, charitable or religious organizations may be licensed to run a ticket raffle. Hobby groups may not be licensed to conduct such events.

If you have questions regarding this matter, please contact the Branch's licensing office at 250 387-5311.

Sincerely,

Original Signed By

Derek Sturko
General Manager

pc: Honourable R.T. (Rich) Coleman
Branch Directors
BC Association of Charitable Gaming