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Division of Consumer Affairs
Legalized Games of Chance Control Commission
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The Legalized Games of Chance Control Commission Bingo and Raffle License Process Instructions

New Jersey allows certain types of gaming by specific types of non-profit organizations. There are detailed licensing procedures that must be followed, as well as special restrictions on how the proceeds derived from permitted games of chance may be used. Many non-profit groups that would qualify to conduct games of chance are unaware of the licensing requirements imposed by law and the civil penalties that may be assessed for conducting such gaming without a license.

A majority of gaming by non-profits is conducted in the form of bingo and raffles. Accordingly, this posting focuses specifically on gaming under the Bingo Licensing Law¹ and the Raffles Licensing Law² (together referred to as bingo and raffles licensing laws), and the corresponding regulations established under them.³

The Licensing Process

The bingo and raffles licensing laws provide a dual licensing mechanism, in which the municipality where the gaming will be conducted ultimately issues the license to a qualified fund-raising organization. Thus, the location where the gaming activity is going to be conducted is extremely important, because the particular municipality determines whether the gaming will be permitted. The bingo and raffles licensing laws operate only in those municipalities where they have been adopted by public referendum.

Organizations desiring to be licensed to conduct bingo or raffles must begin with the Legalized Games of Chance Control Commission, established under the Department of Law and Public Safety to administer the bingo and raffles licensing laws.⁴

In order for an organization to apply for a municipal license, it first must register with and obtain an “**Identification Number**” from the Commission.

In order to register, the organization must submit a completed application, including a nonrefundable, biennial registration fee of \$100.00 dollars⁵; a copy of its constitution and bylaws; a list of the names, addresses and ages of each member of its organization; and if incorporated, a copy of its articles of incorporation filed with the Secretary of State.⁶

The Commission will then analyze whether the organization is a “qualified” non-profit organization, as discussed on the following page.

Qualified Organizations

Not all non-profit organizations are qualified to conduct games of chance pursuant to the bingo and raffles licensing laws. Qualified organizations include bona fide organizations or associations of veterans of any war in which the United States has been engaged, churches and or religious congregations and religious organizations, charitable, educational and fraternal organizations, civic and service clubs, senior citizen associations and clubs, officially recognized volunteer fire companies and officially recognized volunteer first aid or rescue squads.⁷ If the Commission determines that an organization falls within one of the above categories, it will review the following:

1. Documentation indicating whether the organization is incorporated, whether it is incorporated in New Jersey as a religious corporation or as an association not-for-pecuniary profit, and is empowered by its articles of incorporation to further one or more of the authorized purposes defined by the regulations. If incorporated out of the state of New Jersey, a form 12A must be completed;
2. Documentation showing that if it is not incorporated, whether it is organized in New Jersey as a religious or other organization not-for-pecuniary profit, and is authorized by its written constitution, bylaws or charter to further one or more of the authorized purposes;
3. Documentation indicating whether the organization is comprised of a membership of not less than five (5) persons;
4. Documentation indicating whether the organization relies primarily on funds from sources other than the conduct of games of chance for furthering its authorized purpose⁸; and
5. A letter from the affiliated national organization indicating that the organization is in good standing, and a copy of the dissolution statement.

* If the application meets these criteria, the Commission will issue the organization an identification number, which is valid for two years, allowing it to apply to a municipality for a license to conduct gaming. There is no requirement in the bingo and raffles licensing laws or the regulations that the organization be a corporation which is exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986 as amended, in order to be issued an identification number. Additionally, the term "membership" is not defined by the regulations, nor is there any mechanism to obtain a waiver of the of the five-member requirement. For these reasons, the Commission has been reluctant to issue identification numbers to applicants which are not comprised of at least five (5) persons who possess voting power in the corporation or association.

The Municipal License

Neither registration nor assignment of an identification number entitles a qualified organization to hold or conduct a game of chance. Organizations must first obtain the approval of the municipality in which the game of chance is to be held, operated or conducted.

The application filed with the municipality in which the game will be held generally requires the same information required by the Commission, together with a description of the gaming to be conducted, including a sample ticket, if it is a raffle.

The application also must designate an active member or members of the organization under whose control the game of chance will be conducted, including a statement by the member or members that they will be responsible for the conduct of the game in accordance with the bingo and raffles licensing laws and the regulations if a license is granted.

After a completed application has been filed, the municipal governing body must investigate the merits of each application and make specific findings, including whether the applicant is in fact a qualified organization and whether the designated member or members are bona fide members of the organization, of good moral character and have never been convicted of a crime.⁹

If the municipal governing board makes the requisite findings with respect to an application for a gaming license, the board must adopt a resolution authorizing issuance of the license.¹⁰ The license shall be valid for a period of no more than one year from the date of issuance.

Conducting Bingo and Raffles

The regulation governing the conduct of bingo and raffles under the bingo and raffles licensing laws is quite comprehensive. Detailed below are some fundamental requirements for conducting bingo or raffles which licensees should be aware of.

The licensee must designate a specific representative who will be responsible for insuring that all gaming is conducted in accordance with applicable statutes and regulations. Only bona fide members of the organization may operate the game, and no person can be paid for conducting or assisting in conducting the game. The exception to this rule applies to Casino Night events that require trained licensed operators known as dealers. Proceeds derived from gaming operations may be used only to further the organization's authorized purpose. Furthermore, supplies necessary to the gaming operation may be purchased or leased **only** from vendors approved by the Commission.

The bingo and raffles licensing laws also limit the prizes that may be awarded in the aggregate and in any one particular game. Specifically, no licensee may offer a prize having a retail value greater than \$100,000 in any one raffle conducted by drawing, or \$500 in any raffle not conducted by drawing. Furthermore, no licensee shall offer prizes that, in aggregate, amount to a value greater than \$500,000 in any 12-month period. Finally, all tickets or rights to participate in a raffle must be sold at a uniform unit price, and discounts for purchases of more than one ticket are prohibited.¹¹ As for bingo games, no prize may be offered exceeding \$1,000 in one particular game, nor may prizes exceeding \$3,000 in the aggregate for one occasion be offered.¹² As for the premises and equipment used for bingo, unless the licensee is the sole owner, or it is donated, the person leasing the premises and equipment, and the price for the same, must be approved by the Commission.

Report of Operations

No later than the 15th day of the calendar month following the month in which a game of chance is conducted, the organization conducting the game and the member or members responsible for the conduct of the game must file a report of operation with the Commission.¹³ The report must include the gross receipts derived from each game; the expenses incurred and to whom such amounts were paid; the net profit from each game; the uses to which the net profit has been or will be applied; and a list of the prizes offered or given and the respective value of each.

Fines and Penalties

A violation of the bingo and raffles licensing laws or regulations carries a fine of up to \$7,500 for a first offense and up to \$15,000 for the second and each subsequent offense. In addition, the Commission is authorized to order restitution to an aggrieved party.¹⁴ All penalties may be collected in a summary manner pursuant to the Penalty Enforcement Act.¹⁵

Conclusion

New Jersey non-profit organizations can successfully raise funds through bingo or raffles. However, if the organization does not adhere to the bingo and raffles licensing laws or the regulations, the penalty may wipe out any profits realized. Care should be taken, therefore, to understand and comply with all of the applicable laws and regulations.

13:47-4.9 LICENSING FEES PAYABLE TO THE CONTROL COMMISSION

a) Except as provided in (d) below, all licensing fees are to be paid by check made payable to **Legalized Games of Chance Control Commission (LGCCC)** at the time the application is filed with the municipality, except as set forth in (c)6 below.

b) The licensing fees payable to the Commission are:

- 1) **Bingo**: \$20.00 for each occasion on which any game or games of bingo are to be conducted under the license;
- 2) **On-premises draw raffle** for cash prizes (50/50) in excess of \$400.00 or merchandise prizes where the total combined retail value of prizes awarded is in excess of \$400.00: \$20.00 for each day on which a drawing(s) is to be conducted under the license;
- 3) **On-premises draw raffle** for cash prizes (50/50) that do not exceed \$400.00 or merchandise prizes where the total combined retail value of prizes awarded does not exceed \$400.00: no licensing fee. In the event the retail value of the prize(s) offered or awarded exceeds \$400.00 in a raffle in which it was anticipated that the retail value would not exceed \$400.00, the licensee shall submit a check or money order made payable to the Legalized Games of Chance Commission in the amount of \$20.00 at the time of filing the report of operations required by N.J.A.C. 13:47-9 and if required, provide the licensing municipality with any additional fees due, together with a copy of the Report of Raffle Operations; RULES OF LEGALIZED GAMES OF CHANCE LAW AND PUBLIC SAFETY Chapter 47 Page 33 of 212 Last Revision Date: 12/17/2012
- 4) **Off-premises draw raffle** awarding merchandise as a prize: \$20.00 for each \$1,000 or part thereof of the retail value of the prize(s) to be awarded;
- 5) **Carnival games or wheels**: \$20.00 for each game or wheel held on any one day, or any series of consecutive days not exceeding six at one location;
- 6) **Off-premises cash (50/50) raffle**: a \$20.00 fee shall be paid at the time the application is filed. In the event the awarded prize exceeds \$1,000, then an additional fee of \$20.00 for each \$1,000 or part thereof in value of the awarded prize in excess of \$1,000 shall be forwarded to the Control Commission by check payable to the Legalized Games of Chance Control Commission together with the Report of Operations as required by N.J.A.C. 13:47-9 and if required, any additional fees due, together with a copy of the Report of Raffle Operations shall be provided to the licensing municipality;
- 7) **Special door prize raffle**: no fee is payable and no license is required, provided the merchandise is wholly donated, has a total retail value of less than \$50.00, and the raffle is conducted in accordance with N.J.A.C. 13:47-3.11 and 8.15;
- 8) **Calendar raffle** awarding cash or merchandise as a prize: \$20.00 for each \$1,000 or part thereof of the retail value of the prize(s) to be awarded.
- 9) **Instant raffle** games awarding cash or merchandise as a prize:
 - i) \$20.00 for each day on which instant raffle tickets 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 during that year.
- 10) **Golf Hole-in-One Contest**: \$20.00 for each \$1,000 or part thereof of the retail value of the ancillary prizes offered.
- 11) **Armchair race**: \$50.00 per licensed day of operation.
- 12) **Casino Night**: \$100.00 for each day of operation.

c) The licensee fees set forth in (a) through (c) above shall not apply to any **senior citizen association or club** registered with the Control Commission, which will hold, operate or conduct the games solely for the bona fide active members of the licensed association or club. No fee shall be charged to any senior citizen association or club for processing an RULES OF LEGALIZED GAMES OF CHANCE LAW AND PUBLIC SAFETY Chapter 47 Page 34 of 212 Last Revision Date: 12/17/2012 application or issuing a license to hold, operate or conduct any legalized game of chance solely for its bona fide active members.

13:47-4.10 LICENSING FEES PAYABLE TO THE LICENSING MUNICIPALITY

- a) Where no specific ordinance setting fees due the licensing municipality exists, the licensing municipality shall charge a fee in an amount equal to the amount charged by the Control Commission.
- b) Each licensing municipality may set by ordinance a licensing fee in an amount necessary to defray all proper expenses incurred by the municipality in the administration of the Bingo Licensing Law, the Raffles Licensing Law and the regulations governing the conduct of any game or games held, operated or conducted under any license issued by it. No municipal licensing fee shall be set at an amount in excess of the amount charged by the Control Commission.
- c) A municipality may by ordinance exempt all qualified organizations from the payment of any municipal licensing fee.
- d) No municipal ordinance shall exempt any organization from payment of any fee due the Control Commission.
- e) Each licensing municipality shall forward a copy of any such ordinance to the Control Commission immediately upon adoption.

Agricultural Fairs / 4-H Clubs / Exhibitions License

Fee shall pay an annual fee of \$50.00 per game; except that, any association which is nonprofit shall be exempt from payment of any State license fee if the proceeds from the games are used for charitable purposes. Where the operator of the game at an agricultural fair and exhibition conducted under the auspices of such an association is to be a person holding a concession to operate at the fair and exhibition from the association holding the same, such operator shall pay for the State license an annual fee of \$50.00 for each game to be operated at the fair and exhibition, but if said operator is a licensee under the "Amusement Games Licensing Law" 1 and has paid the annual fee of \$250.00 for a State license, he shall not be required to pay the said fee of \$50.00 for each game to be operated unless he operates more than five games, in which case he shall pay for the State license an additional annual fee of \$50.00 for each game in excess of five.

Arcade License

Fee is an annual fee of \$250.00 payable to the Commission, which allows the licensee to operate up to fifty (50) player positions and \$10.00 for every additional player position over the initial fifty (50) player positions.

Armchair Race

Licensing fees payable by law to the Control Commission for this type of license is \$50.00 per licensed day of operation.

Bingo

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each occasion on which any game or games of bingo are to be conducted under the license.

Calendar Raffle

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each \$1,000 or part thereof of the total retail value of the prize(s) to be awarded.

Casino Night

Licensing fees payable by law to the Control Commission for this type of license is \$100.00 for each day of operation.

Duck Race

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each \$1,000 or part thereof of the total retail value of the prize(s) to be awarded.

Golf Hole-in-One Contest

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each \$1,000 or part of the total retail value of the ancillary prize(s) offered.

Instant Raffle Game

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each day on which instant raffle tickets are sold or offered for sale, or \$750.00 for a one-year license to sell, or to offer for sale, instant raffle tickets during that year.

Non-Draw Raffle

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each game or wheel held on any one day, or any series of consecutive days not exceeding six at one location.

Off Premises 50-50 Raffle

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 paid at the time the application is filed for each day on which a drawing(s) is to be conducted under the license. In the event the awarded prize exceeds \$1,000, then an additional fee of \$20.00 for each \$1,000 or part thereof in value of the awarded prize(s) in excess of \$1,000 shall be forwarded to the Control Commission by check payable to the Commission together with the Report of Operations as required by N.J.A.C. 13:47-9.

On Premises 50/50 Draw Raffle

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each day on which a drawing(s) is to be conducted under the license only if the anticipated prize is in excess of \$400.00. Otherwise, there is no license fee.

Off Premises Merchandise Draw Raffle

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each \$1,000 or part thereof of the total retail value of the prize(s) to be awarded.

On Premises Merchandise Draw Raffle

Licensing fees payable by law to the Control Commission for this type of license is \$20.00 for each day on which a drawing(s) is to be conducted under the license only if the anticipated retail value of the merchandise prize(s) is in excess of \$400.00. Otherwise, there is no license fee.

In the event the total retail value of the merchandise prize(s) awarded exceeds \$400.00, the licensee shall submit a check or money order made payable to Commission in the amount of \$20.00 at the time of filing the report of operations required by N.J.A.C. 13:47-9.

In the event the prize(s) awarded exceeds \$400.00, the licensee shall submit a check or money order made payable to Commission in the amount of \$20.00 at the time of filing the report of operations required by N.J.A.C. 13:47-9.

Recognized Amusement Park / Shore Resort or Resort Area License

Is an annual fee of \$250.00 payable to the Commission, which allows the licensee to operate a single certified skill game.

Bingo Description

Prior to conducting bingo, organizations shall first be registered and maintain a valid identification number issued by the Commission. Once this is achieved, the organization may proceed to file a Bingo License Application with the municipality which the activity is to be held. Upon doing so the organization must exhibit their identification card to the municipal clerk when submitting their Bingo License Application.

The license is to be conspicuously displayed in the area/room where the games are held.

No prize may be awarded in excess of \$1,000.00 for a single regular or special game. The total prizes awarded of all games on any one occasion shall not exceed \$3,000.00, except for the authorized percentage games known as, progressive jackpot, 50/50, multi-color, and pre-draw. These games are to be conducted only in the proper manner as described in the rules and regulations.

All equipment utilized in the conduct of bingo, such as, bingo paper, and electronic bingo devices are to be purchased or leased from a licensed bingo equipment provider. A list of current licensed providers can be obtained by contacting the Commission.

Raffle Description

Prior to conducting any of the various types of raffles, organizations shall first be registered and maintain a valid identification number issued by the Commission. Once this is achieved, the organization may proceed to file a Raffle License Application(s) for each specific type of raffle with the municipality which the game of chance is to be held. Upon doing so the organization must exhibit their identification card to the municipal clerk when submitting their Raffle License Application

The license(s) is to be conspicuously displayed in the area/room where the game(s) are to be held.

All equipment utilized in the conduct of raffles are to be purchased/leased from a licensed raffle equipment provider. A list of current licensed providers can be obtained by contacting the Commission.

Casino Night Description (Texas Hold'em Tournaments)

This is a type of game of chance, covered under the Raffle Licensing Law, where players use imitation money purchased from the licensee to wager in games known as baccarat, beat the dealer, blackjack, Caribbean stud poker, chuck-a-luck, craps, joker seven, let it ride, mini-baccarat, money wheel, multi-action blackjack, red dog, roulette, skill stop reel or skill stop video games, token pushers, under/over, seven-card poker, or hold'em poker.

The imitation money is then redeemable for merchandise prizes or raffle tickets only and not for cash or money.

All equipment must be obtained from a licensed Casino Equipment Provider. When filing for this type of license, the organization must attach a FORM-13 together with their license application. This form is supplied by the provider. Failure to submit this form will delay the approval of your municipal license. You may obtain a list of these suppliers by contacting the Commission.

These games are to be properly operated in the manner described in the rules and regulations. These can be found in the regulations concerning Raffles in subchapter 20. Texas Hold'em Tournament play is permissible only with the game known as Texas Hold'em.

Tournaments are required to be conducted in conjunction with a casino night event. Licensees will be held responsible for operating said tournaments in accordance with the rules governing its method of operation. [Please click here for rules.](#)

Armchair Race Description

This is a type of game of chance, covered under the Raffle Licensing Law, where players use imitation money purchased from the licensee to wager on the outcome of a previously filmed horse race(s). The participants do not know the results in advance.

The imitation money is then redeemable for merchandise prizes or raffle tickets only and not for cash or money.

All equipment must be obtained from a licensed Armchair Race Equipment Provider. When filing for this type of license, the organization must attach a FORM-13 together with their license application. This form is supplied by the provider. Failure to submit this form will delay the approval of your municipal license. You may obtain a list of these suppliers by contacting the Commission.

This game is to be properly operated in the manner described in the rules and regulations. These can be found in the regulations concerning Raffles in subchapters 18 and 19.

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