

1 **Ŝ→ [—RAFFLE] CHARITABLE DRAWING ←Ŝ AMENDMENTS**

2 2020 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Daniel McCay**

5 House Sponsor: _____

6

7 LONG TITLE

8 **General Description:**

9 This bill modifies provisions related to a lottery.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines charitable **Ŝ→ [raffle] drawing ←Ŝ** ; and
 - 13 ▶ provides that a charitable **Ŝ→ [raffle] drawing ←Ŝ** is not prohibited as unlawful
- 13a gambling.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **76-10-1101**, as last amended by Laws of Utah 2019, Chapter 185

21

22 Be it enacted by the Legislature of the state of Utah:

23 Section 1. Section **76-10-1101** is amended to read:

24 **76-10-1101. Definitions.**

25 As used in this part:

- 26 (1) "Consumer" means the same as that term is defined in Section **76-10-1230**.
- 27 (2) "Charitable purpose" means the same as that term is defined in Section **13-22-2**.

S.B. 242



28 (3) "Charitable ~~Œ~~ ~~raffle~~ drawing ~~Œ~~" means a scheme for the distribution of a good,
 28a service, or
 29 monetary reward, awarded by chance among individuals who pay money, or provide some
 30 other form of value in exchange for a ticket, if:

31 (a) the purchase of the ticket qualifies an individual to win the good, service, or
 32 monetary reward; ~~Œ~~ ~~and~~ ~~Œ~~

33 (b) no less than 90% of the gross revenue generated from the sale of the ticket is used
 34 to benefit or provide support for a charitable purpose ~~Œ~~ ~~:~~ ;

34a **(c) the scheme for distribution does not involve a fringe gaming device, video gaming**
 34b **device, or gambling device or record; and**

34c **(d) the scheme for distribution does not seek to avoid application of or circumvent this**
 34d **part or Article VI, Section 27, of the Utah Constitution. ~~Œ~~**

35 [~~2~~] (4) (a) "Fringe gambling" means any gambling, lottery, fringe gaming device, or
 36 video gaming device that is given, conducted, or offered for use or sale by a business in
 37 exchange for anything of value or incident to the purchase of another good or service.

38 (b) "Fringe gambling" does not include a promotional activity that is clearly ancillary
 39 to the primary activity of a business.

40 [~~3~~] (5) (a) "Fringe gaming device" means a device that provides the user:

41 (i) a card, token, credit, or product in exchange for anything of value; and

42 (ii) along with the card, token, credit, or product, the opportunity to participate in a
 43 contest, game, gaming scheme, or sweepstakes with a potential return of money or something
 44 of value that is based on an element of chance and not substantially affected by a person's skill,
 45 knowledge, or dexterity.

46 (b) "Fringe gaming device" does not include a device that provides the user a card,
 47 token, credit, or product in exchange for only the user's name, birthdate, or contact information.

48 [~~4~~] (6) (a) "Gambling" means risking anything of value for a return or risking
 49 anything of value upon the outcome of a contest, game, gaming scheme, or gaming device
 50 when the return or outcome:

51 (i) is based on an element of chance, regardless of the existence of a preview or
 52 pre-reveal feature in the device, contest, or game; and

53 (ii) is in accord with an agreement or understanding that someone will receive anything
 54 of value in the event of a certain outcome.

55 (b) "Gambling" includes a lottery.

56 (c) "Gambling" does not include:

57 (i) a lawful business transaction; or

58 (ii) playing an amusement device that confers:

59 (A) only an immediate and unrecorded right of replay not exchangeable for value; or

60 (B) as a reward for playing, a toy or novelty with a value of less than \$10.

61 ~~[(5)]~~ (7) "Gambling bet" means money, checks, credit, or any other representation of
62 value.

63 ~~[(6)]~~ (8) "Gambling device or record" means anything specifically designed for use in
64 gambling or fringe gambling or used primarily for gambling or fringe gambling.

65 ~~[(7)]~~ (9) "Gambling proceeds" means anything of value used in gambling or fringe
66 gambling.

67 ~~[(8)]~~ (10) "Internet gambling" or "online gambling" means gambling, fringe gambling,
68 or gaming by use of:

69 (a) the Internet; or

70 (b) any mobile electronic device that allows access to data and information.

71 ~~[(9)]~~ (11) "Internet service provider" means a person engaged in the business of
72 providing Internet access service, with the intent of making a profit, to consumers in Utah.

73 ~~[(10)]~~ (12) (a) "Lottery" means any scheme for the disposal or distribution of property
74 by chance among persons who have paid or promised to pay any valuable consideration for the
75 chance of obtaining property, or portion of it, or for any share or any interest in property, upon
76 any agreement, understanding, or expectation that it is to be distributed or disposed of by lot or
77 chance, whether called a lottery, raffle, or gift enterprise, or by whatever name it is known.

78 (b) "Lottery" does not include a charitable ~~Ĥ~~ → raffle drawing ← ~~Ĥ~~ .

79 ~~[(11)]~~ (13) "Promotional activity that is clearly ancillary to the primary activity of a
80 business" means that the promotional activity:

81 (a) continues for a limited period of time;

82 (b) is related to a good or service provided by the business or the marketing or
83 advertisement of a good or service provided by the business;

84 (c) does not require a person to purchase a good or service from the business in
85 consideration for participation or an advantage in the promotional activity or any other contest,
86 game, gaming scheme, sweepstakes, or promotional activity; and

87 (d) promotes the good or service being promoted for purchase by the business on terms
88 that are commercially reasonable.

89 ~~[(12)]~~ (14) "Video gaming device" means any device that possesses all of the following

90 characteristics:

91 (a) a video display and computer mechanism for playing a game;

92 (b) the length of play of any single game is not substantially affected by the skill,

93 knowledge, or dexterity of the player;

94 (c) a meter, tracking, or recording mechanism that records or tracks any money, tokens,
95 games, or credits accumulated or remaining;

96 (d) a play option that permits a player to spend or risk varying amounts of money,
97 tokens, or credits during a single game, in which the spending or risking of a greater amount of
98 money, tokens, or credits:

99 (i) does not significantly extend the length of play time of any single game; and

100 (ii) provides for a chance of greater return of credits, games, or money; and

101 (e) an operating mechanism that, in order to function, requires inserting money, tokens,
102 or other valuable consideration other than solely the user's name, birthdate, or contact
103 information.