

ADMINISTRATIVE REGULATIONS
DISTRIBUTION AND SALE OF SEALED TICKETS

State of Connecticut
Division of Special Revenue

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Distribution and Sale of Sealed Tickets**Sec. 7-169h-1. Sealed ticket permits**

a) A sealed ticket permit and permit number may be issued by the division of special revenue to any charitable, civic, educational, fraternal, veterans' or religious organization, volunteer fire department or grange which holds a bingo permit issued in accordance with the provisions of section 7-169 of the general statutes, as amended. Such sealed ticket permit and permit number may be revoked for cause.

b) The division may issue a permit to sell sealed tickets to any organization or group specified in section 7-172 of the General Statutes which holds a permit to operate a bazaar, issued in accordance with the provisions of sections 7-170 to 7-186, inclusive, of the General Statutes.

c) The division may issue a permit to sell sealed tickets to any charitable, civic, educational, fraternal, veterans' or religious organization, volunteer fire department, grange or political party or town committee thereof which holds a permit to operate games of chance, issued in accordance with the provisions of Sections 7-186a to 7-186p, inclusive, of the General Statutes.

(Effective October 1, 1987; amended December 8, 1998)

Sec. 7-169h-2. Over-the-bar permit

The division may issue an over-the-bar permit and permit number to sell sealed tickets to any charitable, civic, educational, fraternal, veterans' or religious organization, volunteer fire department or grange which holds a club permit or non-profit club permit under the provisions of Chapter 545 of the general statutes. Such over-the-bar permit and permit number may be revoked for cause.

(Effective March 22, 1989)

Sec. 7-169h-3. Personal sealed ticket sales permit

(a) No person shall sell, offer for sale or distribute a sealed ticket who has not reached the age of eighteen and who has not applied for and received a permit on forms prescribed by the executive director and has provided information which the executive director may reasonably require including, but not limited to, such person's criminal record, if any, moral character or business affiliations and thereafter has been assigned a permit number from the division to sell sealed tickets. Such personal sealed ticket sales permit and permit number may be revoked for cause.

(b) Notwithstanding the provisions of subsection (a) of this section, the executive director may issue a personal sealed ticket sales permit and permit number to a minor sixteen years of age or older allowing such minor to sell, offer for sale or distribute sealed tickets at an authorized bingo game or games, provided written permission from a parent or legal guardian of such minor is filed with the division.

(Effective March 22, 1989)

Sec. 7-169h-4. Qualification of sales person

(a) No person shall sell sealed tickets during the operation of authorized bingo games unless he has been a bona fide, active member of at least one sponsoring organization permitted to sell sealed tickets for a period of at least six months.

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(b) No person shall sell sealed tickets over-the-bar unless he has been a bona fide, active member or worker of the sponsoring organization permitted to sell sealed tickets for a period of at least six months.

(Effective March 22, 1989)

Sec. 7-169h-5. Sales persons

(a) Member in charge. Every organization permitted to sell sealed tickets shall designate a bona fide, active member of the organization to be in charge of and primarily responsible for the procurement, distribution and sale of sealed tickets by the organization. The member in charge shall have been a member in good standing for at least six months of the organization permitted to sell sealed tickets. The member in charge shall supervise all activities and be responsible for the conduct of all sealed ticket sales, including the preparation of all returns, control reports, certified statements and affidavits, the records of receipts and disbursements and bank accounts required by the division of special revenue, and the disposition of funds. The member in charge may designate, in writing, a qualified sales person to act in his behalf and to discharge his responsibilities on occasions when he is unable to do so. The member in charge or his qualified designee shall be present on the premises continually during the time at which sealed tickets are sold, offered for sale or distributed, and shall be familiar with the general statutes and administrative regulations governing the distribution and sale of sealed tickets.

(b) Participation as sales person restricted. No person shall assist in the conduct of sealed ticket sales except the holder of a personal sealed ticket sales permit whose name appears on the notice required pursuant to section 7-169h-10 of these sealed ticket regulations.

(c) Identification required. The member in charge and those assisting him in any capacity shall possess and display such identification as may be specified by the executive director of the division of special revenue.

(d) Payment of sales persons prohibited. No commission, salary, compensation in any form or gift shall be paid or given to any person in any manner conducting or assisting in the conduct of sealed ticket sales either directly or indirectly. For the purposes of this subsection, compensation normally paid to bartenders of over-the-bar permittees shall not be considered as compensation for the sale or assistance in the selling of sealed tickets. No person selling sealed tickets shall solicit or receive any gift or donation of cash or merchandise on the premises during the conduct of sealed ticket sales.

(e) Compensation of bookkeepers and accountants. Bookkeepers and accountants may receive reasonable compensation for necessary services ordinarily incidental to the sale of sealed tickets.

(Effective March 22, 1989)

Sec. 7-169h-6. Investigation of permit applicants

The executive director shall make or cause to be made an investigation of the qualifications of permit applicants desiring to distribute or sell sealed tickets and the facts stated in any application and, if he determines that the permit applicant is qualified to distribute or sell

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sealed tickets, the division shall issue a permit and permit number to such applicant.

(Effective October 1, 1987)

Sec. 7-169h-7. Unsuitable person barred

No person shall operate or assist in the operation of authorized sealed ticket games whose moral character, criminal record, if any, or business affiliations render such person unsuitable in the opinion of the executive director.

(Effective October 1, 1987)

Sec. 7-169h-8. Restrictions on renting of premises or equipment

No organization shall rent, lease or hire premises or equipment for the distribution or sale of sealed tickets on a percentage of gross or net earnings or income, or at a reduced rate or free of charge if the free or reduced rate for use of such equipment or premises carries with it an agreement of compensation or reward directly or indirectly in any form.

(Effective October 1, 1987)

Sec. 7-169h-9. Facilities

(a) Premises required to be open for inspection. The premises where sealed tickets are distributed or sold or where it is intended that any sealed ticket activity be conducted shall, at reasonable times, be open to inspection by the executive director or his duly appointed representatives.

(b) Certain notices required to be posted. Each organization authorized to sell sealed tickets shall conspicuously post within that portion of the premises where sealed tickets are sold one or more notices as required by the executive director containing certain designated rules governing the distribution and sale of sealed tickets and its sealed ticket permit. The notice or notices shall be in the form prescribed and may be provided by the division of special revenue.

(Effective March 22, 1989)

Sec. 7-169h-10. Notice on premises

A notice shall be posted conspicuously on the premises where authorized sealed ticket sales are conducted providing (1) the name of the organization and its division of special revenue permit number; (2) the name of the member in charge thereof; (3) the name of sealed ticket games, tickets for which are offered for sale, and the amount of the charges for such tickets; (4) the amount of prizes to be offered, and (5) the names and permit numbers of the member in charge and sales persons for the particular session or time.

(Effective October 1, 1987)

Sec. 7-169h-11. No other games of chance activity permitted on premises

No games of chance of any kind other than bingo games, bazaars, raffles, or games of chance authorized pursuant to the provisions of Chapter 98 of the general statutes, and regardless of whether any separate or additional charge or payment is required, shall be

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conducted or allowed in the room or rooms, on any occasion, where or when authorized sealed tickets are sold.

(Effective October 1, 1987; amended December 8, 1998)

Sec. 7-169h-12. Sealed ticket games

The different types of sealed ticket games shall be established by the executive director. Any sealed ticket game or type or category of sealed ticket game, once having been established may thereafter be discontinued in similar manner provided reasonable notice of such intention is given to each organization permitted to sell sealed tickets. A discontinuation shall not affect the rights of those who purchased sealed tickets prior to the effective date of termination.

(Effective October 1, 1987)

Sec. 7-169h-13. Official procedure filed

The frequency and duration of sealed ticket games, the prices of tickets, the manner in which such games shall be conducted and played, as well as the manner in which winners are to be selected and prizes claimed and awarded shall be contained in these sealed ticket regulations and in the official procedures for each sealed ticket game established by the executive director. All official procedures shall be in written form and kept on file at the division in sufficient supply to assure distribution to any party requesting a copy. The division may produce and distribute illustrative brochures and other materials designed to inform permittees and ticket purchasers as to the manner of participation in a sealed ticket game. This game information may also be printed on the sealed ticket itself. However, in the event of any conflict, the official procedures, as adopted and on file with the division, shall control.

(Effective October 1, 1987)

Sec. 7-169h-14. Information required on sealed ticket

Each sealed ticket offered for sale by the division shall include, but not be limited to, the following information:

(1) The state agency name "Connecticut Division of Special Revenue" and state seal.

(2) The price at which each ticket is to be sold.

(3) The name of the sealed ticket game represented by the ticket.

(4) The total number of winners possible from the particular packet.

(5) The prize categories of the game.

(6) The number of tickets per game packet.

(7) The phrase "To be sold only by Connecticut Division of Special Revenue Permittees."

(8) The phrase "Prizes paid only by Permittee at place of sale."

(9) Such other information as may be required by the division so as to ensure the security and integrity of the sealed ticket game.

(Effective October 1, 1987)

Sec. 7-169h-15. Percentage retained by permittee as profit

Each organization permitted by the division to sell sealed tickets shall retain at least ten percent of the resale value of sealed tickets sold as profit. The exact percentage of the resale value of tickets to be retained as profit shall be established by the executive director and be specified in the official procedures adopted by the executive

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director in accordance with Section 7-169h-13 for each sealed ticket game.

(Effective March 22, 1989)

Sec. 7-169h-16. Percentage to be awarded as prizes

At least forty-five percent (45%) of the resale value of sealed tickets shall be returned as prizes to holders of winning tickets. The exact percentage of the resale value of tickets to be returned as prizes shall be established by the executive director and be specified in the official procedures adopted by the executive director in accordance with section 7-169h-13 for each sealed ticket game.

(Effective October 1, 1987)

Sec. 7-169h-17. Apportionment of revenues

All revenues received by the division from the sale of sealed tickets, in excess of division needs relating to the distribution and sale of sealed tickets, shall revert to the state general fund.

(Effective October 1, 1987)

Sec. 7-169h-18. Purchase of sealed tickets from division

Permittees shall purchase sealed tickets from the division at a cost which is equal to ten per cent (10%) of their resale value. Sealed tickets shall be purchased in accordance with purchasing procedures adopted by the executive director and provided to each organization permitted to sell sealed tickets at the time such organization is issued its permit.

(Effective October 1, 1987)

Sec. 7-169h-19. Payment of sealed ticket prizes

Sealed ticket prizes shall be paid only by a sealed ticket permittee and only at the permittee's place of sale.

(Effective October 1, 1987)

Sec. 7-169h-20. Records, control forms

(a) Record keeping. Accurate records and books shall be kept by each organization permitted to sell sealed tickets in a manner and on control forms approved by the executive director, showing in detail, among other things, the amount and source of gross receipts, prizes, and the expenses incurred.

(b) Access to records. The executive director or his authorized representatives shall at all times have access to all books and records of any organization permitted to sell sealed tickets for the purpose of examining them. Such records shall be accessible where or when sealed tickets are sold.

(Effective March 22, 1989; amended December 8, 1998)

Sec. 7-169h-21. Bank accounts, expenses

(a) Proceeds from sealed ticket sales shall be kept in a separate special sealed ticket bank account which shall be in the form of a checking account. All receipts from sealed ticket sales less the amount awarded as cash prizes shall be deposited in the special sealed ticket account. The commingling of any funds derived from the sale of sealed tickets with any other funds of the permitted organization is strictly prohibited. Money shall be withdrawn from this special account for only

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the following purposes:

(1) Payment of expenses authorized pursuant to subsection (b) of this section.

(2) Disbursement from net proceeds for charitable, civic, educational, fraternal, veterans', religious, volunteer fire department or grange purposes.

(b) Payment of expenses. Money for reasonable and necessary expenses ordinarily incidental to the sale of sealed tickets may be paid from the gross receipts of sealed ticket sales only by checks having preprinted consecutive numbers drawn on the special sealed ticket account required and authorized pursuant to subsection (a) of this section. Said checks must be payable to the specific person or organization providing the goods or rendering the services which gave rise to the expense item, and at no time may checks be payable to cash. Only those expenses which are reasonable and necessary and ordinarily incidental to the sale of sealed tickets may be paid from the gross receipts of sealed ticket sales.

(Effective March 22, 1989; amended December 8, 1998)

Sec. 7-169h-22. Amendment of permit application

Sealed ticket sales may be conducted under conditions other than as stated in the original application for a sealed ticket permit if an application to amend, prescribed by the executive director of the division, is filed with the executive director and if the subject matter of the proposed amendment could lawfully and properly have been included in the original application and permit, and upon payment of such additional fee, if any, as would have been payable if it had been so included. In no case shall there be a refund of fees. After an investigation of all the facts, the division may approve or disapprove the application to amend.

(Effective October 1, 1987)

Sec. 7-169h-23. Notice of change in organization status

No organization shall sell sealed tickets after any substantial change has come about in its status which is at variance with the facts contained in the original application for a sealed ticket permit until an application to amend is filed with the executive director. After an investigation, the division may, if the facts so warrant, revoke such organization's sealed ticket permit.

(Effective October 1, 1987)

Sec. 7-169h-24. Notice of change in personal status

No person shall sell, offer for sale or distribute a sealed ticket when any substantial change has come about in his personal status which is at variance with the facts contained in the original application for a sealed ticket sales permit and permit number until an application to amend has been filed with the executive director. After an investigation, the division may, if the facts so warrant, revoke such sealed ticket sales permit and permit number.

(Effective October 1, 1987)

Sec. 7-169h-25. Monthly return to be filed

Any organization permitted to sell sealed tickets, and its members who were in charge thereof, shall furnish to the executive director a

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monthly return, the form of which shall be prepared by the executive director, showing the following:

(1) The amount of the gross receipts derived from sealed ticket sales which shall include income from the sale of tickets or rights in any manner connected with participation in each such game or the right to participate therein.

(2) Each item of expense incurred or paid, and each item of expenditure made or to be made, the name of each person to whom each such item has been paid or is to be paid, with a detailed description of the merchandise purchased or the services rendered therefor.

(3) The net profit derived from sealed ticket sales, and the uses to which the net profit has been or is to be applied.

Such monthly return shall be furnished by the tenth of the next succeeding month.

(Effective March 22, 1989)

Sec. 7-169h-26. Violations of statutes, rules and regulations, false statement

(a) Whenever it appears to the executive director of the division of special revenue after an investigation that any person is violating or is about to violate any provisions of this section 7-169h of the General Statutes or Sections 7-169h-1 to 7-169h-28, inclusive, of the regulations of Connecticut state agencies, the executive director may in his discretion, to protect the public welfare, order that any sealed ticket permit issued be immediately suspended or revoked and that the person cease and desist from the actions constituting such violation or which would constitute such violation. After such an order is issued, the person named therein may, within fourteen days after receipt of the order, file a written request for a hearing. Such hearing shall be held in accordance with the provisions of Chapter 54 of the General Statutes.

(b) Whenever the executive director finds as the result of an investigation that any person has violated any provision of section 7-169h of the General Statutes or sections 7-169h-1 to 7-169h-28, inclusive, of the regulations of Connecticut state agencies, or made any false statement in any application for a permit or in any report required by the executive director, the executive director may send a notice to such person by certified mail, return receipt requested. Any such notice shall include (1) a reference to the section or regulation alleged to have been violated or the application or report in which an alleged false statement was made, (2) a short and plain statement of the matter asserted or charged, (3) the fact that any permit issued pursuant to this section may be suspended or revoked for such violation or false statement and the maximum penalty that may be imposed for such violation or false statement, and (4) the time and place for the hearing. Such hearing shall be fixed for a date not earlier than fourteen days after the notice is mailed.

(c) The executive director shall hold a hearing upon the charges made unless such person fails to appear at the hearing. Such hearing shall be held in accordance with the provisions of chapter 54 of the General Statutes. If such person fails to appear at the hearing or if, after the hearing, the executive director finds that such person committed such a violation or made such a false statement, the executive director

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may, in his discretion, suspend or revoke such permit and order that a civil penalty of not more than two hundred dollars be imposed upon such person for such violation or false statement. The executive director shall send a copy of any order issued pursuant to this subdivision by certified mail, return receipt requested, to any person named in such order.

(d) Whenever the executive director revokes a permit issued pursuant to section 7-169h of the General Statutes, he shall not issue any permit to such permittee for one year after the date of such revocation.

(Effective October 1, 1987; amended December 8, 1998)

Sec. 7-169h-27. Forms, statements under oath

All forms, including control forms, used in compliance with the general statutes governing the distribution and sale of sealed tickets and these administrative regulations for sealed tickets shall be furnished by the executive director of the division of special revenue, and when required, all statements therein shall be made under oath.

(Effective October 1, 1987)

Sec. 7-169h-28. Waiver

The executive director, with the approval of the gaming policy board, may waive any rule contained herein in his discretion, except any rule specified in the general statutes, upon his finding that such waiver is in the best interests of the state of Connecticut and the distribution and sale of sealed tickets. Prior approval of the gaming policy board shall not be required in circumstances where the executive director finds that public health, safety, and welfare requires emergency action provided the gaming policy board shall be apprised of the waiver and the circumstances surrounding it at its next scheduled meeting following said waiver whereupon the gaming policy board may approve or disapprove the continuance of such waiver.

(Effective October 1, 1987)

Sec. 7-169h-29.

Repealed, December 8, 1998.