



BY TROY ROSS

Charitable Gaming: Creating Opportunities for Charities & Technology Providers

In December 2014, the federal government passed omnibus Bill C-43 (Budget Implementation Act), which amended Section 207 of the Criminal Code to permit charitable organizations to carry out, with the use of a computer, certain operations relating to provincially-licensed lottery schemes.

While the amendment may not have generated any controversy or even much public interest upon its passing, its impact on the charitable gaming sector will be significant. And as the legendary recording artist Sam Cooke once crooned, “It’s been a long time coming.”

The amendment is momentous because it will allow for the sale of raffle tickets, the selection of winners and the distribution of prizes in charitably licensed events on or through a computer.

When Section 207 was originally drafted in 1985, it codified a landmark agreement between the federal and provincial governments that delegated the provinces the legal right to conduct and manage lottery schemes. Specifically, Section 207(1)(a) read together with Section 207(4)(c) gave exclusive rights to the provincial governments to operate lottery schemes on or through a computer.

At the time, this section was meant to ensure that the provinces had sole jurisdiction to engage in electronic gaming (i.e., slot machines or lottery schemes), and that the federal government would no longer offer games of chance.

Unfortunately, the inclusion of the word “computer” in Section 207(4)(c), had the unintended consequence of prohibiting charities from using technology in any fashion to improve their fundraising operations for the next 30 years. It was arguably never the intent of the federal government to prevent charitable organizations from using modern technologies to assist in the operation of cost-efficient lotteries.

When this section of the Code was originally written in 1985, about 8% of the population had access to home computers and the state of the art in personal computing was the 8-bit Commodore 64. Today over 80% of Canadians carry a computer in their pocket. No rational person would consider 1980s technology relevant in our modern world.

This modernization of charitable gaming was long overdue. The Bill C-43 amendment effectively leveled the playing field for charitable and religious organizations.

Specifically, the newly added Section 207(4.1) allows for the sale of a raffle ticket, the selection of a winner, and the awarding of a prize in a raffle on or through a computer by a licensed charitable or religious organization. It has been estimated that this simple change will save charitable organizations tens of millions per year in cost efficiencies. It also provides for new partnerships with technology providers.

For example, charitable organizations can now access electronic raffle solutions like Bump 50:50, currently used by NHL, MLB, NFL, and NBA foundations to raise money through their 50/50 raffles at sporting events. Not only do these partnerships reduce costs, they also improve the integrity of the raffle event.

As Bump 50:50 President Dan Tanenbaum notes, “adding a layer of technology adds accountability, credibility and security to the raffle program. The real-time updated jackpot can be displayed online, on mobile and throughout the event, and adds excitement and generates

more tickets sales. The up-to-the-minute reporting tools for both internal and external recording purposes gives the charitable organization the data they need to analyze their performance and submit any necessary information to local gaming regulators for any audit purposes.”

Interestingly, while the amendment specifically permits the use of computers for charitable raffles, the Code remains silent on the definition of a raffle versus other types of lottery schemes. It is quite possible that new electronic charitable gaming options will be created as a result of the change contained in C-43.

Over the past three years, a number of provincial regulators have been reviewing their charitable licensing frameworks in response to the federal amendment, including Manitoba, British Columbia, Saskatchewan, and Ontario.

I will expand on the new forms or charitable gaming and new distribution networks to advertise, sell and distribute raffle products now made possible as a result of this amendment in the second part of this series, to be published in the upcoming Canadian Gaming Business magazine. [CGI](#)

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