

BY-LAW 2001-86

**BEING A BY-LAW OF THE CITY OF GREATER SUDBURY
TO REGULATE THE LICENCING OF LOTTERIES**

WHEREAS Order in Council 2688/93, as amended, assented to by the Lieutenant Governor of Ontario, authorizes a municipal council, where it deems it expedient in the best interests of the inhabitants of the municipality, to issue a licence authorizing eligible charitable organizations to conduct and manage a bingo lottery, a raffle lottery, a lottery scheme held at a bazaar or a break open ticket lottery;

**NOW THEREFORE THE COUNCIL OF THE CITY OF GREATER SUDBURY
HEREBY ENACTS AS FOLLOWS:**

PART I - INTERPRETATION

1. In this By-law:

"50/50 draw" means a raffle lottery in which the prize is one-half the value of all tickets sold during the event or a defined period of the licence;

"Act" means the *Gaming Services Act*, S.O. 1992, c. 24;

"Applicant" includes a person, corporation, association, organization or a group making an application for a licence;

"Bazaar" means a one day event where any combination of the following lotteries may be conducted:

- (a) a raffle not exceeding \$500 in prizes;
- (b) a bingo not exceeding \$500 in prizes;
- (c) a maximum three wheels of fortune with a maximum \$2 bet;

"Bingo" means a game of chance where players are awarded a cash prize or prizes for being the first to complete a specified arrangement of numbers on preprinted bingo cards from numbers selected at random;

"Bingo Sponsors Association" means an association formed by Licensees conducting regular bingo events within a bingo hall, with a purpose of assisting organizations in administering bingo events for its members;

"Bona Fide Member" means a member in good standing of the Licensee who has other duties beyond conducting lotteries within the organization (members of convenience, whose only duty is to assist at bingo events, are not considered Bona Fide Members).

"Books and Records" means documents outlining financial details of Lottery events and includes, but is not limited to, ledgers, sub-ledgers, cheque books, cheque stubs, deposit books, deposit slips, bank statements, cancelled cheques, receipts, invoices and control sheets;

"Break Open Tickets" means instant win Lottery tickets commonly known as pull tab, Nevada or Break Open Tickets;

"Charitable object or purpose" means any object or purpose relating to:

- (a) the relief of poverty;
- (b) the advancement of education;
- (c) the advancement of religion; or
- (d) any purpose beneficial to the community not falling under any of the above clauses;

"Charitable Organization" means an organization which performs services of public good and welfare without profit and which has a place of business in Ontario, is established to provide charitable services in Ontario and uses the proceeds for objects or purposes which benefit Ontario residents, has been in existence for at least one year, and includes an organization designated as such by the Minister;

"City" means The City of Greater Sudbury;

"Clerk" means the Clerk of the City of Greater Sudbury;

"Council" means the Council of the City of Greater Sudbury;

"Director" means the Director under the Act;

"Game Schedule" means a complete listing of all Bingo games to be played during each Bingo event including the arrangement of numbers required to win each game, the prizes to be awarded for each game, the prices of the Bingo cards or books being sold and the maximum prizes to be awarded for the Bingo event, and may have any combination of fixed prize payouts and share the wealth-type games, which must indicate a maximum prize payout for each game;

"Licence" means a Bingo Lottery Licence, a Raffle Lottery Licence, a Break Open Ticket Lottery Licence or a Bazaar Lottery Licence issued by the Lottery Licensing Officer pursuant to this By-law;

"Licensee" means an Applicant licensed to conduct and manage a Lottery pursuant to the provisions of this By-law;

"Licensing Authority" means the Director under the Act, or City council;

"Location" means that building or part of a building where a Bingo Lottery is operated;

"Lottery" means a scheme that involves a prize, a chance to win a prize, and consideration, directly or indirectly in any form whatsoever for a chance to win a prize;

"Minister" means the Minister of Consumer and Commercial Relations;

"Ministry" means the Ministry of Consumer and Commercial Relations;

"Municipal By-law Enforcement Officer" means a municipal by-law enforcement officer appointed by the Council of the City;

"Raffle" means a Lottery scheme where tickets are sold for a chance to win a prize at a draw and includes 50/50 draws, elimination draws, calendar draws,

sports pools and rubber duck races;

"Regular Bingo Licence" means a licence permitting the conduct of a Bingo where the total prizes for any one event does not exceed \$5,500;

"Special (Monster) Bingo Licence" means a Licence permitting the conduct of a Bingo where the total prizes to be awarded for any one event is greater than \$5,500; and

"Sports Raffle" means a ticket raffle based on the results of a series of sporting events.

2. The definitions in Order-in-Council 2688/93, as amended, extend to this Bylaw.

PART II - GENERAL PROVISIONS

3. The City may, through the office of the City Clerk, where it deems it expedient and in the best interest of the inhabitants of the City, grant a Licence authorizing any Charitable Organization to conduct and manage a Lottery scheme including a Bingo Lottery, Raffle Lottery, Break Open Ticket Lottery, or Bazaar Lottery, if:

- a) the gross proceeds from the Lottery scheme are used for charitable objects or purposes providing a direct benefit to the residents of Ontario; and
- b) the amount or value of each prize awarded or the money or other valuable consideration paid to secure a chance to win a prize or the total value of all prizes to be awarded does not exceed the amount specified in this Bylaw for the class of Licence applied for.

4. Notwithstanding Section 3, the City shall not grant a Licence to a Charitable Organization where the organization proposes to use the services of a person or organization to conduct and manage the Lottery on its behalf for a fee or other valuable consideration.

5. Notwithstanding Section 3, the City shall not grant a Licence to a Charitable Organization where pyramiding of games is to be permitted.
6. Notwithstanding Section 3, the City shall not grant a Licence to a Charitable Organization where the total value of all prizes to be awarded within the operation of a single occasion Bingo Lottery exceeds \$5,500 cash or merchandise or articles of equivalent market retail value.
7. Notwithstanding Section 3, the City shall not grant a Licence to a Charitable Organization where the total value of all prizes to be awarded within the operation of a single occasion raffle lottery exceeds \$50,000 cash or merchandise or articles of equivalent market retail value.
8. Notwithstanding Section 3, the City shall not grant a Licence to a Charitable Organization where games of a type or kind known as razzle dazzle, roll down, three card monte, punch board, coin table, any dice game or any variation thereof, or games in contravention of the Criminal Code of Canada are to be operated.
9. For the purposes of this By-law, there shall be the following classes of Licences:
 - (a) "Bingo Lottery Licence" which authorizes the conduct and management of a Bingo Lottery;
 - (b) "Raffle Lottery Licence" which authorizes the conduct and management of a Raffle Lottery;
 - (c) "Bazaar Lottery Licence" which authorizes the conduct and management of a Lottery scheme at a Bazaar; and
 - (d) "Break Open Lottery Ticket Licence" which authorizes the conduct and management of a Break Open Ticket Lottery.
10. In addition to such special terms and conditions as may be imposed by a ministry of the government of the Province of Ontario or by the Lieutenant-Governor-in-Council, each Licence shall be subject to the terms and conditions set out in this By-law and the

application for Licence and shall comply will all provisions of the Criminal Code of Canada and any other applicable federal or provincial statute or regulation.

11. A Licence granted under this By-law shall continue in force during the pleasure of the City and cannot be assigned or transferred.

12. No Licensees shall allow anyone under the age of eighteen years to participate in any licensed Lottery as a player.

13. The Licensee shall maintain all funds raised in a separate account and shall maintain such records for such period of time as may be set out in the terms and conditions of the Licence or by the Minister.

14. The gross proceeds received from the Lottery shall be used for the Charitable objects or purposes as set out by the Licensee in the application for Licence, less the cost of the prizes awarded and such reasonable and necessary administrative expenses actually incurred in the management and conduct of the Lottery, and such expenses shall be restricted to those set out in the terms and conditions of the Licence.

15. The Lottery Licensing Officer, such municipal by-law enforcement officers as Council may appoint, the Investigations Section of the Alcohol and Gaming Commission of the Ministry of Consumer and Commercial Relations, and all police officers shall at all reasonable times, have direct and unencumbered access to inquire into the nature, management and conduct of the proceedings for which the Licence has been granted, either prior to, during or after the conclusion of such proceedings.

16. The Licensee shall complete and submit to the Lottery Licensing Officer not later than thirty days after the holding of each licensed Raffle Lottery, Bazaar Lottery, or Break Open Ticket Lottery, a written report showing:

- a) the total gross receipts derived from the Lottery;
- b) the total cost of all prizes actually awarded;
- c) an itemized list of the administrative costs actually incurred in the

management and conduct of the Lottery; and

- d) the total cash proceeds donated for charitable purposes as set forth in the application of the Licensee and the name and address of the payee.

17. The Licensee shall complete and submit to the Lottery Licensing Officer not later than fifteen days after the holding of each licensed Bingo Lottery, a written report showing:

- a) the name and address of the Licensee;
- b) the date when and municipal address of the location where the Bingo game was conducted;
- c) the applicable Bingo Licence number;
- d) the number of players attending;
- e) the total gross receipts derived therefrom allocating the gross receipts derived from admissions, regular game cards, special game cards and extra cards;
- f) a list of prizes offered and given indicating the total prizes given for regular games and itemizing the prizes awarded for special games;
- g) an itemized list of administrative costs actually incurred in the management and conduct of the Lottery, including the Licence fee, honorariums, advertising and allowable transportation expenses, and the name and address of each person to whom such items have been paid;
- h) the net proceeds derived from such game or games as determined by subtracting the amount determined by Section 17(g) from the gross receipts, less 40 per cent of the remainder; or 15 per cent of the gross receipts if the hall supplies caller and runners, or 14 per cent if the hall owner/operator only
supplies runners or caller or neither, whichever is less, which amount is to

be paid to the hall owner/operator, and the total cash proceeds donated for charitable objects or as set forth in the application for the Licensee and the name and address of the payee; and

- i) the name and address of the financial institution where the trust account is kept, the number of the account and the balance of proceeds retained in the account for future disbursement for charitable objects purposes.

18. The Licensee shall conduct only the type of Lottery provided for in the application and the Licence.

19. The Licensee shall produce the Licence upon demand.

20. The Licensee shall keep and maintain the Licence displayed conspicuously at the place and during the occasion for which the Licence is issued.

PART III - APPLICATIONS

21. The City Clerk is hereby appointed to act as the Lottery Licencing Officer. The Lottery Licensing Officer or such persons as he or she may designate shall issue Licenses under this By-law for the Council of the City.

22. Application for a Licence shall be made to the Lottery Licensing Officer no later than thirty days prior to the date of the first date on which the Lottery is to be held.

23. Upon receipt of an application, the Lottery Licensing Officer shall forward the related information to the Chief of Police, who shall make or cause to be made inquiries on record relating to the character of the Applicant.

24. The Lottery Licensing Officer shall make or cause to be made all investigations which he or she deems necessary to ascertain whether the Lottery for which application is made conforms to the provisions of this By-law, the Criminal Code of Canada, Order-in-Council No. 2688/93, and any terms and conditions prescribed by the Minister.

25. If the investigations referred to in Sections 23 and 24 discloses any reason to

believe that the Applicant's character may not be good or that the Lottery for which application is made does not conform to the provisions of this By-law, the Criminal Code of Canada, or Order-in-Council No. 2688/93, or any terms or conditions thereto, or that the granting of the application may be in any way adverse to the public interest, no Licence shall be issued except upon the instructions of the Council after due consideration of the application.

26. If the investigations referred to in Sections 23 and 24 do not disclose any reason to believe that the Applicant's character may not be good or that the Lottery does not conform to the provisions of this By-law, the Criminal Code of Canada, Order-in-Council No. 2688/93, or any terms and conditions thereto, the Lottery Licensing Officer or such person designated by him or her shall, subject to any instructions from Council to the contrary, issue the Licence on behalf of the City, provided that no Licence shall be issued until the prescribed Licence fee has been paid.

27. Where a Licence is refused, any Licence fee paid shall be refunded to the Applicant.

28. A decision of the Lottery Licensing Officer to refuse an application for a Licence may be appealed by the Applicant to Council and the decision of Council shall be final.

29. Nothing in this By-law obligates the Lottery Licensing Officer or Council to issue a Licence.

PART IV - FEES

- 30.-(1)** The fees for each Bingo or Raffle Lottery Licence shall be as follows:
- a) where the cash prize or prizes or the retail value thereof does not exceed \$100, the fee shall be \$3;
 - b) where the cash prize or prizes or the retail value thereof exceeds \$100, but does not exceed \$250, the fee shall be \$7.50;

- c) where the cash prize or prizes or the retail value thereof exceeds \$250, but does not exceed \$500, the fee shall be \$15; and
 - d) where the cash prize or prizes or the retail value thereof exceeds \$500, 3 per cent of such value is the fee.
- (2) In the case of a 50/50 Draw the fee will be based on the maximum value of the prizes awarded.

31. The fee for a Bazaar Lottery Licence shall be \$15 for each game.

32. The fee for a Break Open Ticket Lottery Licence shall be 3 per cent of the prize value of each unit of tickets.

PART V - BINGO LOTTERY LICENCES

33. An application for a Licence to manage and conduct a Bingo Lottery shall be made in a form to be prescribed by the Alcohol and Gaming Commission.

34. Not more than one Bingo Lottery Licence shall be issued to an Applicant except as provided for in this Section.

35. No Applicant to whom a Bingo Lottery Licence has been granted shall be issued another Bingo Lottery Licence for the period of time set out in the original Licence unless so approved by Council and noted as Licence number two or thereafter consecutively numbered as the case may be.

36. The amount expended, exclusive of prizes awarded, in the conduct and management of any Bingo Lottery shall not exceed the amounts paid for the Licence fee, honorariums, advertising and allowable transportation costs.

37. The amount expended for rent shall be the lesser of 40 per cent of the remainder after subtracting expenses as outlined in Section 36 above from the gross receipts, or 15 per cent of gross receipts if the hall supplies caller and runners, or 14 per cent if the hall owner/operator only supplies runners or caller or neither.

38. Any expenses (including, but not limited to paper, security, storage, equipment hall rental and employee wages) related to the conduct of the Bingo shall be deducted from the amount which may be paid to the bingo hall owner/operator.
39. A Bingo Lottery Licence may be issued for a single occasion or for a number of occasions, not exceeding 52 occasions during a one-year period, except as approved by a Licensing Authority.
40. The total value of all prizes awarded on each occasion shall not exceed \$5,500.
41. No more than 49 Bingo Lottery Licences shall be issued for the operation of a Bingo Lottery in a licensed bingo hall in any calendar week.
42. The Licence shall specify the location where the Bingo Lottery is to be operated, the date(s) of operation, and the starting or finishing times.
43. Every location, except a school or a church, where a Bingo Lottery is proposed to be conducted and is conducted, shall be licensed under the provisions of any By-law of the City providing for the licensing and regulating of public halls.
44. No Licensee shall charge or permit to be charged any consideration for admission to the location where the Bingo Lottery is to be conducted.
45. Where, at the starting time specified in the Licence there are insufficient persons present on the occasion of a Bingo Lottery to cover prizes and expenses, by reason of an act of God or some other extreme condition beyond the control of the Licensee, the Licensee may cancel the occasion. However, the Licensee shall report to the Lottery Licensing Officer, in writing, in a form to be prescribed by the Alcohol and Gaming Commission, the number of persons present on the cancelled occasion and the intended prizes and expenses within fifteen days of the occasion.
46. Where the licensee commences a bingo lottery on an occasion, it shall award all advertised prizes for the occasion, whether cash or merchandise or articles.
47. No person other than the Licensee shall be responsible for the design,

placement and cost of advertising all Bingo events.

48. Where two or more Licensees jointly advertise in a newspaper, each Licensee shall share in any discount or reduced cost of advertising given by the newspaper in direct proportion to the costs of advertising incurred by each licensee.

49. A Licensee may provide a "player appreciation" day, but in no case can the event be advertised, and the costs, when combined with the regular advertising costs, shall not exceed 1 per cent of the prize board.

50. No person other than a Licensee shall employ or cause to be employed or provide any gift or remuneration to any other person to assist in the conduct and management of the Bingo Lottery, other than members of the licensed organization.

51. Where a Licensee pays an honorarium to a Bona Fide Member who has assisted in the conduct of a Bingo Lottery, remuneration paid to that person shall not exceed \$20 for each occasion and shall include compensation for the cost of transportation and meals of such person.

52. The maximum honorariums that may be paid for any Bingo event shall not exceed 3 per cent of the prize board.

53. Every Licensee shall keep and maintain a record of all persons employed to assist and the amount of remuneration paid to each person for each occasion.

54. Notwithstanding Section 49 (player appreciation), no Licensee shall offer, give or permit to be offered or given or otherwise provided, directly or indirectly, other than the prizes advertised or otherwise represented for the Bingo game, any incentives or inducements to play Bingo games, including, but not without restricting the generality of the foregoing, Bingo cards, door prizes or other prizes or benefits.

55. No member of the Licensee conducting, managing, operating or administering a Bingo Lottery shall have a pecuniary interest, directly or indirectly, in any form whatsoever in the Bingo Lottery which he or she is conducting, managing, operating or

administering.

56. Notwithstanding any other provisions of this By-law, no Licensee shall conduct and manage a Bingo Lottery unless it provides a method or system satisfactory to the Lottery Licensing Officer by which players can, at any time, stop the game fully and completely, in order that the board of the Bingo caller may be checked.

57. Where a person calls "Bingo", but on verification is found not to have won the game respecting which the call was made, the Bingo manager shall direct that the same game be resumed.

58. No Licensee shall provide directly or indirectly or allow to be provided transportation of patrons to or from the place where any Bingo Lottery is conducted unless prior written authorization is obtained from Council.

59. Application for authorization as required by Section 58 shall be in writing and received by the Lottery Licensing Officer at least thirty days prior to the date of the event for which authorization is sought.

60. Every Licensee shall designate, in writing, at least three Bona Fide Members to be in charge of, to supervise all activities, and to be responsible for the conduct of the Bingo.

61. The designated members in charge shall be at least eighteen years of age.

62. The three designated members shall be continuously present at the location during the full occasion of the Bingo Lottery.

63. Every Licensee shall keep and maintain a hand-written, electronic or video-taped record for each Bingo game played outlining the order in which the numbers were called for each game held during the Bingo event. This shall be the official record of the games.

64. The designated members shall be responsible for the completion and filing of all such financial reports as are necessary under this By-law on behalf of the Licensee.

65. The designated members shall ensure that all terms and conditions of the Licence and any additional conditions imposed by a Licensing Authority are complied with.
66. The designated members shall keep all required records, deposit all money into accounts, and reconcile all cash transactions and bingo paper sales.
67. In addition to any other requirements under this By-law, a Licensee shall establish an account in a bank, credit union or trust company and maintain in the account an amount sufficient to cover the total of the prizes to be awarded.
68. In addition to any other requirements under this By-law, a Licensee shall deposit in the account all money received from the conduct of each Bingo Lottery, less the amount awarded in cash prizes, licence fees, and advertising, and less the amount of remuneration paid to persons employed to assist in the conduct of a Bingo Lottery.
69. In addition to any other requirements under this By-law, a Licensee shall withdraw money from the account only by cheque and only for the payment of the necessary and reasonable expenses incurred in the operation and conduct of a Bingo Lottery and for the charitable object or purpose for which the Licence was issued.
70. In addition to any other requirements under this By-law, a Licensee shall retain all books of accounts and all other records for not less than four years from the date of the occasion on which the Bingo Lottery was conducted.
71. The written report required by Section 17 shall be made in a form to be prescribed by the Alcohol and Gaming Commission.

PART VI - RAFFLE LOTTERY LICENCES

72. An application for a licence to manage and conduct a Raffle Lottery shall be made in a form as prescribed by the Alcohol and Gaming Commission.
73. No Raffle Lottery Licence shall be issued for more than one individual raffle scheme within the operation of a single occasion Raffle Lottery.

74. No Raffle Lottery Licence shall be issued where the total value of all prizes to be awarded within the operation of a single occasion Raffle Lottery exceeds \$50,000 cash or merchandise or articles at equivalent market value.

75. No Raffle Lottery Licence shall be issued where the total value of all prizes is less than 20 per cent of the anticipated gross proceeds from sale of the tickets calculated on the total number of tickets expected to be sold, multiplied by the price per ticket.

76. No more than one Raffle Lottery Licence shall be issued to an Applicant except as provided in this By-law.

77. No Applicant to whom a Raffle Lottery Licence has been granted shall be issued another Raffle Lottery Licence for the period of time set out in the original Licence unless so approved by Council and noted as Licence Number two or thereafter consecutively numbered as the case may be.

78. Every application for a Raffle Lottery Licence with a combined total of \$10,000 in prizes shall be accompanied by an irrevocable letter of credit from a bank or financial institution, in a form acceptable to the City Solicitor, made payable to the City. The letter of credit shall be in the amount of the total value of the prizes to be awarded and with a minimum expiry date of not less than 45 calendar days after the date of the event.

79. The Licensee shall indicate in its application the number of tickets to be printed for sale.

80. The Licensee shall provide for the consecutive numbering of tickets.

81. The Licensee shall indicate on the face of the tickets the name and address of the Licensee, the location, the date and the time at which the draw is to be held, the Raffle Lottery Licence number, the number and nature of the prizes to be awarded, the number of the ticket, the number of tickets to be printed for sale and the name of the printer.

82. The Licensee shall retain all unsold tickets and counterfoils of sold tickets for a period of not less than one year from the date of the draw, and produce them upon demand to the Lottery Licensing Officer, the Alcohol and Gaming Commission of the Ministry of Consumer and Commercial Relations, or the Chief of Police.

83. The winner or winners shall be determined and publicized as in the application.

84.-(1) A Sports Raffle winner must be determined by chance and cannot be determined by any application of skill.

(2) A Sports Raffle based on any combination of chance and skill will not be licensed.

(3) A Sports Raffle cannot be based on the outcome of a race, fight or single sporting event will not be licensed.

(4) A Sports Raffle based on the official results of athletes participating in a series of sporting events may be licensed, however, the selection of the players for each purchaser of a chance must be made by random selection and cannot be made on the basis of skill or knowledge of the ability of the athletes participating in the series of sporting events.

85. In the case of a 50/50 Draw:

(1) the Licensee must identify a maximum prize of all tickets sold; and

(2) the Licensee must comply with terms and conditions for all other Raffle Lotteries and must be able to establish an audit trail.

86. The written reports required by Section 16 shall be in a form to be prescribed by the Alcohol and Gaming Commission.

PART VII - BAZAAR LOTTERY LICENCES

87. An application for a Licence to manage and conduct a Bazaar Lottery shall be in

a form to be prescribed by the Alcohol and Gaming Commission.

88. No Bazaar Lottery Licence shall be issued for more than one single occasion Bazaar Lottery.

89. The written reports required by Section 16 shall be in a form to be prescribed by the Alcohol and Gaming Commission.

PART VIII - BREAK OPEN TICKET LOTTERY LICENCE

90. An application for a Licence to manage and conduct a break open ticket lottery shall be in a form to be prescribed by the Alcohol and Gaming Commission.

91. A Break Open Ticket Lottery Licence shall only be issued to a Charitable Organization which owns and regularly occupies suitable premises at which tickets will be offered for sale, or at a commercial location at which tickets will be offered for sale.

92. Each Applicant for a Break Open Ticket Lottery Licence shall specify one designated location within the premises at which all break open tickets will be sold.

93. If a Licence is issued, tickets shall not be sold outside of the premises or at any place other than the location within the premises designated in the application and specified on the Licence.

94. Charitable Organizations licensed to sell Break Open Tickets from their own premises may sell the tickets anywhere within their building provided that the tickets are sold from only one container at a time.

95. A Licensee shall not sell Break Open Tickets at or in association with a Bingo Lottery.

96. No Break Open Ticket Lottery License shall be effective for a period exceeding one year from the date of issue.

97. A Break Open Ticket Lottery License shall be issued only for the sale of Break Open Tickets which conform with the ticket quantities, prices and prize payouts as prescribed by the Alcohol and Gaming Commission.
98. The value of any prize awarded shall not exceed amounts prescribed by the Alcohol and Gaming Commission.
99. Scratch-off or other forms of Break Open Tickets are not permitted.
100. The Licensee shall forward a copy of the Break Open Ticket Lottery License to the manufacturer or the distributor from which tickets are to be purchased prior to the receipt of any tickets.
101. The Applicant shall supply, upon the request of a Licensing Authority, a signed right of access from the distributor and the manufacturer of the break open tickets for which the application is submitted.
102. The Licensee shall indicate on the back of the Break Open Tickets the name of the Charitable Organization, the numbers and amounts of the prizes to be awarded, the price of a ticket, the serial number of the ticket, the Licence number and the name of the manufacturer of the ticket.
103. The separate account for all funds raised shall be appropriately designated and into it shall be deposited all and only money received from the operation of the Break Open Ticket Lottery less the cash payments made for prizes and authorized expenses.
104. Total expenses for Licensees selling tickets from their own premises, including shortages and all taxes, but not including the Licence fee, shall not exceed 10 per cent of the gross receipts derived.
105. Total expenses for Licensees selling tickets from a third party location including all taxes, but not including the Licence fee, shall not exceed 13½ per cent of the gross receipts derived.

106. All withdrawals from the designated Lottery account shall be exclusively by cheque and shall only be for the purpose of the payment of the necessary and reasonable expenses incurred in the operation of the Lottery or for the disbursement of net proceeds derived from one or more charitable objects or purposes.

107. The gross receipts derived from the sale of break open tickets shall be used for the charitable or religious objects or purposes set out by the Licensee in the application for the licences less all reasonable costs actually expended for the payment of prizes, the purchase of tickets, sales commissions and licence fees.

108. No Licensee shall offer for sale any Break Open Ticket or number of tickets not contained in a transparent container which is large enough to hold at least one-and-one-half full units of Break Open Tickets.

109. When the number of Break Open Tickets within the container has been apparently reduced by one-half, the Licensee shall refill the container by adding an addition unit (units) of tickets of the same colour, except for the last licensed deal.

110. The Licensee shall designate a Bona Fide Member or Members of the Charitable Organization to be primarily responsible for the sale of Break Open Tickets, the payment of prizes and the keeping of all required records.

111. No person directly involved in or responsible for the conduct of the Break Open Ticket Lottery shall purchase a ticket related to that Lottery.

112. The Licensee shall not sell any Break Open Ticket at a price other than the price appearing on the face of the ticket.

113. All Break Open Tickets shall be opened by the purchaser at the premises stated on the Licence and all winning tickets shall be exchanged for cash on the day of sale.

114. Each Licensee for a Break Open Ticket Lottery will be held responsible for and shall guarantee the payment of all winnings.

115. The Licensee shall obtain invoices for all Break Open Tickets purchased and

retain all invoices for a period of no less than four years.

116. Each licensee shall at all times maintain complete security over the break open tickets in its possession and all funds associated therewith.

117. For control of inventory purposes, all stock must be stored and kept in one fixed location in order to permit, if requested, the periodic reconciliation of stock usage and cash flow.

118. The written reports required by Section 16 shall be in a form to be prescribed by the Alcohol and Gaming Commission.

119. Notwithstanding anything to the contrary in this By-law, charitable organizations which, prior to January 1, 2001 held Break Open Ticket Lottery Licenses from more than one of the former municipalities of

The Town of Capreol,

The Town of Nickel Centre,

The Town of Onaping Falls,

The Town of Rayside-Balfour,

The City of Sudbury,

The City of Valley East, or

The Town of Walden

may continue with similar Licenses issued pursuant to this By-law for all such locations until the end of December 31, 2001.

PART IX - SUSPENSION - REVOCATION

120. Where the Lottery Licensing Officer, a municipal by-law enforcement officer, or a police officer has reason to believe that there exists an apparent breach or an impending breach of any of the provisions of this By-law, he or she may order the Licensee or its officers, agents or members to cease forthwith from further conducting

the Bingo Lottery, Raffle Lottery, Break Open Ticket Lottery or Bazaar Lottery, as the case may be.

121. Where the Lottery Licensing Officer, a municipal by-law enforcement officer, or a police constable has made an order under Section 120, the Licensee, its officers, agents or members shall, from the time the order is given, cease the further conduct and management of the Bingo Lottery, Raffle Lottery, Break Open Ticket or Bazaar Lottery, as the case may be.

122. Where a Licensee fails to comply with any of the provisions of this By-law, Council or the Lottery Licensing Officer may forthwith suspend or cancel the Licence.

123. The Licensee may request a hearing before Council to show cause why its Licence should not be suspended or cancelled.

124. Upon the Licensee showing cause why its Licence should not be cancelled or suspended Council may, in its sole discretion, reinstate the Licence upon such terms and conditions as it sees fit.

125. No Licence fee shall be refunded to the Licensee where a Licence is suspended, cancelled or otherwise ceases to be in force except for any occasion to be held after the date that the Licence is suspended, cancelled or ceases to be in force.

PART X - SHORT NAME AND REPEALS

126. This By-law shall be known as the "Lottery Licencing" By-law.

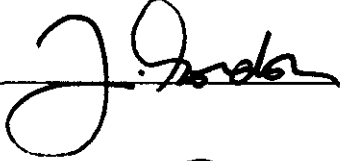
127. The following By-laws are hereby repealed:

- (a) By-law 91-12, chapter 521 of the former City of Sudbury;
- (b) By-law 91-24 of the former Town of Nickel Centre;
- (c) By-laws 96-04, 97-19 and 98-08 of the former Town of Onaping Falls;
- (d) By-laws 73-32 and 97-33 of the former Town of Rayside-Balfour; and

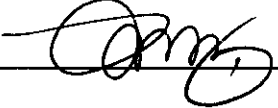
(e) By-law 98-645 of the former Town of Walden.

128. This By-law shall come into full force and take effect as of January 1st, 2001.

READ THREE TIMES AND PASSED IN OPEN COUNCIL this 27th day of
March, 2001.



Mayor



Clerk