Nevada Regulators Urged To Reconsider Charitable Gambling Change

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Problem gambling advocates are asking Nevada gaming officials to reconsider pending amendments to regulations governing who can participate in charitable games and lotteries.

The Nevada Gaming Control Board (NGCB) last week unanimously approved proposed regulatory changes that would allow those under thr age of 18 to participate in charitable lotteries, or raffles, if a parent or legal guardian purchases the tickets for them.

The three-member board also approved several other amendments to Regulation 4A, which governs lotteries and games of chance that raise money for nonprofit organizations in the state, before sending the draft regulations to the Nevada Gaming Commission (NGC).

The NGC is expected to take up the amendments at its October 24 meeting.

"This caught many people off guard," Carol O'Hare, executive director of the Nevada Council on Problem Gambling (NCPG), told GamblingCompliance on Tuesday.

O'Hare said earlier iterations of the draft regulations published in July and August had included age restrictions that barred anyone under 18 from participating in a charitable lottery, and anyone under 21 years of age from participating in charitable bingo, poker or blackjack.

She said the NCPG approved of the age restrictions included in the earlier draft, adding that an exemption for parents to buy charitable lottery tickets for their kids was unacceptable.

"You wouldn't let a ten-year-old drink wine at a fundraiser because Mom and Dad said it was alright. 'Johnny go ahead; it is for a good cause'," O'Hare told GamblingCompliance.

O'Hare noted that the age exceptions being proposed for charitable lotteries in Nevada are the opposite of nearly every other state that has a state lottery and "proactively works to prohibit underage play."

Research indicates that "early and frequent exposure to gambling activities as a child is a risk factor for developing a gambling disorder," O'Hare said. "This is why the age restriction matters."

The NCPG and the Association of Gaming Equipment Manufacturers (AGEM) also expressed concerns over allowing those under 18 to take part in charitable lotteries, even with a parent's permission.

"In regard to proposed language regarding 'charitable games' and 'charitable lotteries,' the Association of Gaming Equipment Manufacturers (AGEM) is opposed to any efforts that allow gambling by minors," the group said in an October 2 statement filed with the control board.

O'Hare noted the relevant provision would not go into effect until October 2021, effectively passing the responsibility onto the state legislature to make a final decision.

The Nevada legislature is scheduled to reconvene for its next biennial legislative session in February 2021 in Carson City.

"We seem to have this idea that charitable gambling is harmless," she added.

Concerns over age restrictions were raised by conservation and wildlife organizations troubled that the proposed amendment would make it more difficult for them to attract a new generation of members.

Pat Pinjuv, president of Nevada Bighorns Unlimited, a nonprofit dedicated to preserving the state's wildlife, said his group sells dinner tickets to both adults and those under 18.

"The adult tickets get entered into a door prize raffle and the youth tickets are placed in a separate raffle dedicated to a special prize for them," Pinjuv wrote in a letter submitted to the NGCB.

"We believe this is a common practice throughout the various conservation groups statewide that could now be interpreted as illegal under the proposed legal regulation," said Bining, adding that other sames and reflec that all interpreted as megal under the proposed [age] regulation, said Pinjuy, adding that other games and rames that an attendees can participate in during charitable events would now be illegal.

Les Smith, Nevada regional director with the Rocky Mountain Elk Foundation, said the youth who attend its events are "the future of wildlife conservation and our best hope for the wild places and wild creatures in the state."

"So, we offer youth raffles and games at nearly all our events," Smith said. "These raffles and games are designed to make the banquets a fun experience and give our young attendees a chance to take something home."

Nevada gaming regulators were tasked with coming up with the updated regulations following the passage in May of Assembly Bill 117, which introduced several changes to statutes governing charitable gambling.

Another regulatory amendment approved by the NGCB would allow online sales of charitable lottery tickets to people who are within Nevada at the time of the purchase, subject to the approval of the NGCB chair.

However, ticket sales for charitable lotteries operated by pro sports teams would be "restricted to the arena or stadium in which the team ... is playing its home game and the premises upon which the arena or stadium is situated," according to the five-page proposal.

Fees range from \$25 for each charitable game conducted by a qualified organization, to \$200 per day for each charitable lottery offered by a qualified sports organization. Nevada regulators also propose to charge \$200 for each day a professional sports franchise "exposes charitable games for play."

For example, the NHL's Vegas Golden Knights operate a 51/49 percent raffle at each home game. Tickets cost \$10 for five, up to \$100 for 300, with the winner getting 51 percent of the pot, and 49 percent of the revenue going to the Golden Knights Charitable Foundation to support various charities in southern Nevada.

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