



# GAMBLING ACT 2005

## SMALL SOCIETY LOTTERY REGISTRATIONS

The Gambling Act 2005 repeals the Lotteries and Amusements Act 1976 and updates the Local Authority system for registration of small society lotteries (raffles etc). The changes commenced from 1 September 2007, existing registrations have been converted automatically into a registration under the new Act. Large non-commercial society lotteries are administered by the Gambling Commission and not the Local Authority.

### **Definition of 'Society'**

The registration will be for the society, or any separate branch of such a society, on whose behalf a lottery is to be promoted. Small society lotteries will be exempt from the full Operating Licence of the new Act. Instead, they will be required to register with the Local Authority. The society must be a non-commercial organisation. Section 19 of the 2005 Act defines a society as non-commercial if it is -

- (a) for charitable purposes (as defined by Section 2 of the Charities Act 2006);
- (b) for the purpose of enabling participation in or of supporting sport, athletics or a cultural activity; or
- (c) for any other non-commercial purpose other than that of private gain.

The society must have been established for one of the permitted purposes and the proceeds of any lottery must be devoted to those purposes. It is not permissible to establish a society whose sole purpose is to facilitate lotteries – it must have some other purpose.

### **Key Changes from the Lotteries and Amusements Act 1976**

Local Authorities are currently responsible for registering small society lotteries under the 1976 Act. There will be a number of differences between the regimes operating before and after 1 September 2007. In brief, the 2005 Act -

a) Removes individual limits on the percentage of proceeds that may be applied to expenses or prizes although the maximum global amount that can be deducted for expenses and prizes remains at 80%, with a minimum of 20% going to the purposes of the society.

It should be noted that any fees payable to an external Lottery Manager would be included within the maximum 80% deductions for expenses and prizes. External Lottery Managers will also need an Operating Licence from the Gambling Commission.

(b) Allows rollovers of prize funds from one lottery to another promoted by the same society, provided the maximum single prize does not exceed £25,000 or 10% of the gross proceeds.

(c) Permits the sale of tickets by an automated process.

*(continued overleaf)*

(d) Removes the £2 maximum limit on ticket prices.

### **Small Society Lottery Limits under the 2005 Act**

The total value of tickets to be put on sale per single lottery must be £20,000 or less, or the aggregate value of tickets to be put on sale for all their lotteries in a calendar year must not exceed £250,000.

If the society plans to exceed either of these values they can not be registered by the Local Authority and must be licensed by the Gambling Commission as a large lottery. Every ticket must cost the same and the society must take payment for the ticket fee before entry to the draw is allowed.

### **Lottery Administration and Returns**

The small society lottery organisation must submit a return to the Licensing Section after each draw. This must be done NO LATER than three months after the date of the lottery draw.

The return must be signed by two members of the society (who must be aged 18 or over) who are appointed in writing by the society for that purpose. The return can be submitted by post or via e-mail to [licensing@warwickdc.gov.uk](mailto:licensing@warwickdc.gov.uk)

The return must specify the following -

- (a) arrangements for the lottery (dates, prize, value, any rollover etc);
- (b) the total proceeds of the lottery and amounts deducted for expenses and prizes;
- (c) the amount applied to the purpose for which the society is conducted (not less than 20% of the proceeds); and
- (d) whether any expenses incurred were not paid for by deduction from the proceeds  
(and any amount of such expenses and sources from which they were paid).

### **Lottery Tickets**

Tickets can be physical or virtual (for example an e-mail or text message).

All tickets must state -

- (a) the name of the promoting society;
- (b) the price of the ticket (which must be the same for all tickets);
- (c) the name and address of the promoter for the society (or the external Lottery Manager if there is one); and
- (d) the date of the draw, or information which enables the date to be determined.

The requirement to provide this information can be satisfied by enabling the participant to retain it electronically or print it.

Tickets can only be sold by persons over the age of 16.

Tickets can be more than £2 each (the previous limit under the 1976 Act). Every ticket must cost the same and the society must take payment for the ticket fee before entry to the draw is allowed.

Tickets should not be sold in a street, but may be sold from a kiosk, in a shop or door to door.

### **Prizes**

Prizes can be either cash or non-monetary.

Prizes, combined with any expenses, must not exceed 80% of the total proceeds of the draw. Donated prizes would not be counted towards this 80% limit but should still be declared on the return following the draw.

In accordance with Section 175 of the Licensing Act 2003, minor raffles and tombolas involving prizes of alcohol are not licensable under the 2003 Act if certain conditions are fulfilled.

### **Transitional Arrangements**

From 1 September 2007, registrations under the Lotteries and Amusements Act 1976 have been automatically converted into a registration under the Gambling Act 2005. The provisions and offences under that Act now apply to societies from this date.

Societies need only send the annual fee of £20.00 to continue their registration.

Outstanding 1976 Act return forms should still be submitted as usual.

### **Fees Payable**

The fee payable with an initial application for registration is £40.00.

**The annual fee payable for an ongoing registration is £20.00, this is payable within two months of the anniversary of the registration otherwise the registration will lapse.**

### **Further Information**

For further information on the Gambling Act 2005, please contact the Licensing Section on 01926 456705 or via e-mail on [licensing@warwickdc.gov.uk](mailto:licensing@warwickdc.gov.uk) .