

Consultation Draft

January 30, 2026

CHARITABLE LOTTERIES ACT

BILL NO.

2026

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

INTERPRETATION

1. Definitions

In this Act,

- (a) “**charitable or religious objects or purposes**” means objects or purposes for
 - (i) the relief of poverty or the consequences of poverty,
 - (ii) education services, including the advancement of literacy,
 - (iii) the advancement of religious or societal values, or
 - (iv) any other purpose that, in the opinion of the Registrar, is beneficial to the community;
- (b) “**charitable or religious organization**” means an organization that performs services in furtherance of charitable or religious objects or purposes without profit or pecuniary gain to its members;
- (c) “**Commission**” means the Island Regulatory and Appeals Commission established under section 2 of the *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11;
- (d) “**Department**” means the Department of Justice and Public Safety;
- (e) “**electronic gaming equipment**” means any computer hardware or software used for the sale of a lottery ticket, selection of a winner or distribution of a prize in a lottery scheme;
- (f) “**licence**” means a licence that authorizes a person or organization to conduct and manage a lottery scheme in the province;
- (g) “**licensee**” means a person or organization that holds a licence;
- (h) “**lottery scheme**” has the same meaning as in subsection 207(4) of the *Criminal Code* (Canada) but does not include a lottery scheme which is conducted or managed by the authorized agent of the Prince Edward Island Lotteries Commission under the authority of the *Lotteries Commission Act*, R.S.P.E.I. 1988, Cap. L-17;

- (i) “**lottery ticket**” means a chance to participate in a lottery scheme and includes a physical or electronic record provided to a purchaser as confirmation of participation in a lottery scheme;
- (j) “**Minister**” means the Minister of Justice and Public Safety and Attorney General;
- (k) “**prize**” means an award of money, articles, merchandise, or a reward of any kind;
- (l) “**Registrar**” means the Registrar designated under section 2.

REGISTRAR

2. Designation of Registrar

- (1) The Minister may designate an employee of the Department of Justice and Public Safety as the Registrar.

Responsibility, etc., of Registrar

- (2) The Registrar shall
 - (a) administer this Act; and
 - (b) perform the duties and exercise the powers respecting lottery schemes delegated to the Registrar by the Lieutenant Governor in Council pursuant to subsection 207(1) of the *Criminal Code* (Canada) or conferred on the Registrar by this Act or the regulations.

Report to Minister

- (3) At the request of the Minister, the Registrar shall make reports to the Minister respecting the matters under this Act.

3. Delegation by Lieutenant Governor in Council

The Registrar’s authority to issue licences and to impose terms and conditions on those licences is subject to the authorization of the Lieutenant Governor in Council contained in the Order in Council cited in the regulations under this Act.

LICENSING OF LOTTERY SCHEMES

4. Prohibition

No person or organization shall conduct or manage a lottery scheme unless the person or organization is authorized to do so under a licence.

5. Application for licence – charitable or religious organization

- (1) A charitable or religious organization may apply to the Registrar, in the form required by the Registrar, for a licence to conduct or manage a lottery scheme.

Application for licence – board or operator

- (2) The board of a fair or exhibition may apply to the Registrar, in the form required by the Registrar, to have the fair or exhibition designated as one where a lottery scheme may be conducted or managed, and where the Registrar has issued that designation, the board or the operator of a concession leased by the board may apply to the Registrar, in the form required by the Registrar, for a licence to conduct or manage that lottery scheme.

Requirements for licence

- (3) An applicant for a licence shall provide with the application
- (a) a description of the lottery scheme, including the games of chance and the prizes to be offered;
 - (b) a description of the manner in which the applicant proposes to conduct and manage the lottery scheme;
 - (c) the proposed rules of play for the lottery scheme;
 - (d) evidence satisfactory to the Registrar that
 - (i) for an application under subsection (1),
 - (A) the applicant is a charitable or religious organization, and
 - (B) the proceeds of the lottery scheme will be used for charitable or religious objects or purposes, and
 - (ii) for an application under subsection (2), that the fair or exhibition is one
 - (A) where agricultural or fishing products are presented or where activities related to agriculture or fishing take place, and
 - (B) where a lottery scheme will be conducted or managed in accordance with this Act and the regulations;
 - (e) if the applicant plans to use electronic gaming equipment,
 - (i) the name of the supplier of the equipment,
 - (ii) a copy of the contract or agreement between the supplier and the applicant,
 - (iii) confirmation that the supplier is registered with the Director of Corporations to do business in the province, and
 - (iv) evidence satisfactory to the Registrar that the electronic gaming equipment complies with any prescribed standards for electronic gaming equipment.

Additional requirements for licence

- (4) Where the applicant is a charitable or religious organization located outside the province that is applying for a licence in accordance with paragraph 207(1)(f) of the *Criminal Code* (Canada), the applicant shall also provide
- (a) a copy of an agreement between Government and the government of the other province where the lottery scheme was first authorized to be conducted and managed, as referred to in section 207 of the *Criminal Code* (Canada); and
 - (b) evidence satisfactory to the Registrar that
 - (i) the net proceeds from lottery ticket sales originating in the province will be used for charitable or religious objects or purposes in the province,
 - (ii) the applicant's rules of play for the lottery scheme are not inconsistent with the provisions of the agreement referred to in clause (a), this Act or the terms and conditions of the licence being applied for, and
 - (iii) the lottery scheme will be conducted and managed in the public interest as it relates to purchasers in the province.

Form of application

- (5) An application for a licence or designation shall be accompanied by the prescribed fee.

Prohibition

- (6) No person who is under 19 years of age may apply for a licence.

6. Issuance of licence to charitable or religious organization

- (1) The Registrar may issue a licence to conduct or manage a lottery scheme to an applicant where the Registrar is satisfied that
- (a) the applicant has submitted the required application in accordance with section 5 and the prescribed fee;
 - (b) the applicant is a charitable or religious organization; and
 - (c) the requirements of this Act for issuing the licence have been met.

Designation and issuance of licence to board or operator

- (2) The Registrar may designate a fair or exhibition as one where a lottery scheme may be conducted and may issue a licence to conduct or manage the lottery scheme to an applicant if the Registrar is satisfied that
- (a) the applicant has submitted the required application in accordance with subsection 5(2) and the prescribed fee;
 - (b) the applicant is either the board of the fair or exhibition or the operator of a concession leased by that board; and
 - (c) the requirements of this Act for issuing the licence have been met.

Term or condition may be imposed

- (3) The Registrar may impose a term or condition on a licence at any time.

Licence subject to Act, etc.

- (4) A licence is subject to any requirement of this Act, the regulations and a term or condition imposed by the Registrar.

Paramountcy

- (5) Where there is a conflict between
- (a) a requirement of this Act or the regulations and a term or condition imposed by the Registrar, the requirement of this Act or the regulations prevails; and
 - (b) a requirement of this Act or the regulations and section 207 of the *Criminal Code* (Canada), the requirement of section 207 of the *Criminal Code* (Canada) prevails.

7. Refusal to issue licence

- (1) After giving an applicant an opportunity to be heard, the Registrar may refuse to issue a licence where the Registrar is of the opinion that
- (a) the applicant has not complied with the requirements of subsection 6(1) or (2), as the case may be; or
 - (b) it is in the public interest to do so.

Notice to applicant

- (2) Where the Registrar refuses to issue a licence to an applicant, the Registrar shall provide to the applicant
- (a) written reasons for the refusal to issue the licence; and
 - (b) the right of the applicant to appeal the refusal in accordance with section 24.

8. Suspension or cancellation of licence

- (1) The Registrar may do any one or more of the things listed in subsection (2) if the Registrar is of the opinion that
- (a) a licensee has failed to comply with this Act, the regulations or a term or condition imposed on the licence;
 - (b) where the licensee is a corporation, a shareholder, director, officer or employee of the corporation has been charged with or convicted of an offence under this Act, the *Criminal Code* (Canada) or other federal legislation; or
 - (c) a licensee has committed an act that is contrary to the public interest or that detracts from the integrity with which activities authorized by the licence are to be conducted in the province.

Order of Registrar

- (2) Where subsection (1) applies, the Registrar may by order, after giving the licensee an opportunity to be heard,
- (a) issue a warning;
 - (b) impose terms or conditions on the licence or rescind or amend existing terms or conditions on the licence;
 - (c) subject to this section, suspend or cancel the licence; or
 - (d) in a case where a person referred to in clause (1)(b) has been charged but not convicted of an offence referred to in that clause, or in a case where clause (1)(c) applies, begin an investigation of the matter and suspend the licence pending completion of the investigation.

Conditions for cancellation

- (3) A licence may not be cancelled
- (a) where a person referred to in clause (1)(b)
 - (i) has been charged but not convicted, until after an investigation under this Act has been completed, or
 - (ii) has been convicted, until after the conviction becomes final; or
 - (b) in a case to which clause (1)(c) applies, until after an investigation under this Act has been completed.

Notice of Registrar's order to licensee

- (4) Where the Registrar has suspended or cancelled a licence under subsection (2), the Registrar shall provide to the licensee
- (a) a copy of the order;
 - (b) written reasons for the suspension or cancellation of the licence; and
 - (c) notice of the right of the licensee to appeal the order to the Commission in accordance with section 24.

LICENCE REQUIREMENTS**9. Compliance required**

- (1) A licensee shall conduct and manage a lottery scheme in accordance with this Act, the regulations, and any terms or conditions imposed on the licence under section 6.

Licence period

- (2) The Registrar may issue a licence for a period not to exceed 12 months.

Licence not transferable

- (3) A licence is not transferable.

Written request for changes, amendments

- (4) A licensee may apply in writing to the Registrar to amend the licence and the Registrar may amend the licence on terms and conditions that the Registrar considers appropriate.

Prohibition – use of other name

- (5) A licensee shall not conduct and manage a lottery scheme under a name other than the name stated in the licence.

Licence or copy shall be displayed

- (6) A licensee shall prominently display the licence or a copy of the licence at the premises or address for service specified in the licence.

Advertisements shall state licence number

- (7) A licensee shall ensure that all advertisements respecting the lottery scheme state the licence number for that lottery scheme.

10. Electronic gaming equipment

- (1) A licensee shall not use electronic gaming equipment to conduct or manage a lottery scheme unless the electronic gaming equipment has been approved by the Registrar and complies with any standards prescribed in the regulations.

Prohibition – installation, etc.

- (2) A licensee shall not install, move, maintain, modify or repair the electronic gaming equipment referred to in subsection (1) without the Registrar's approval.

Prohibition – use of altered electronic gaming equipment

- (3) A licensee shall not permit a player to use electronic gaming equipment to participate in a lottery scheme where the electronic gaming equipment has been altered in any way that could affect
- (a) its integrity, safety, security or reporting capability; or
 - (b) the outcome or payout of the lottery.

OPERATION OF LOTTERY SCHEME

11. Prohibition – sale outside province

- (1) Subject to subsection (2), no lottery ticket shall be sold or advertised for sale outside of the province.

Exception

- (2) Where the province has entered into an agreement with another province in accordance with the terms of subsection 207(1) of the *Criminal Code* (Canada), tickets may be sold outside of

the province in accordance with the agreement and the applicable laws in force in the other province.

12. Approval of rules by Registrar

- (1) The rules of play for any game of chance offered for play under a licence shall be approved by the Registrar.

Games shall be played in accordance with rules

- (2) A licensee shall ensure that any game of chance offered for play under a licence is played in accordance with the rules of play approved by the Registrar or specified in the regulations.

13. Information to be provided to player

A licensee shall, on request, provide a player with

- (a) a description of the licensee's lottery scheme;
- (b) the rules of play under the licence; and
- (c) the total amount or value of the prizes.

14. Prohibition – advancing credit, cashing cheques

A licensee shall not advance credit to any player or permit any player to cash personal cheques or third-party cheques to participate in a lottery scheme.

15. Prizes shall be awarded

- (1) All prizes specified in the licence application shall be awarded.

Regulations govern maximum amount, value of prizes

- (2) A licensee shall not offer in a lottery scheme a prize the amount or value of which exceeds the amount or value of prizes prescribed by the regulations.

16. Prohibited prizes

A licensee shall not offer any of the following as a prize in a lottery scheme:

- (a) liquor;
- (b) cannabis, as that term is defined in the *Cannabis Act* (Canada), or cannabis products and derivatives;
- (c) a live animal.

17. Prohibition – player under 19

A licensee shall not allow any person under 19 years of age to participate in any way as a player in a lottery scheme.

18. Proceeds to be kept separate

- (1) The proceeds from a lottery scheme shall be kept separate from all other funds.

Prizes, expenses to be paid from gross proceeds

- (2) All prizes and administrative expenses related to the conduct and management of a lottery scheme shall be deducted and paid out from the gross proceeds.

Net proceeds to be used for charitable, religious object, purposes

- (3) The net proceeds shall be used for the charitable or religious objects or purposes that were approved in the licence application.

RECORDS AND REPORTING

19. Record keeping by licensee

- (1) A licensee shall keep books, records and other documents that relate to the conduct and management of the lottery scheme including, without limitation, receipts verifying each expense incurred and the use of the proceeds for the purposes approved in the license application, in accordance with the regulations.

Form of records

- (2) Subject to subsection (3), the licensee shall keep the records in electronic or paper form in the province at the office authorized by the licence.

Exception

- (3) In the case of a licensee whose licence was issued in accordance with paragraph 207(1)(f) of the *Criminal Code* (Canada), the Registrar may, on written request by the licensee, authorize the records to be kept outside of the province subject to any terms and conditions that the Registrar may impose.

Retention of records

- (4) A licensee shall retain the records required by this section for not less than three years after the expiration of the licence.

Records available to Registrar on request

- (5) A licensee shall, at the request of the Registrar, make the records available to the Registrar or a person appointed by the Registrar.

20. Reporting requirements

- (1) If the total value of prizes offered under a licence exceeds \$5,000 or if the licence relates to a series event, the licensee shall submit to the Registrar, on a form provided by the Registrar, a report in accordance with the regulations that contains at least the following information:

- (a) the gross proceeds of the lottery scheme;
- (b) the total amount or value of the prizes offered;
- (c) the administrative expenses of conducting and managing the lottery scheme;
- (d) the net proceeds of the lottery scheme;
- (e) any other information required by the Registrar.

When report is due

- (2) A report under subsection (1) shall be submitted
- (a) if the licence relates to a single event, within 30 days after the date of the single event;

- (b) if the licence relates to a series event, at least 30 days before the licence expires or is cancelled on the request of the licensee;
- (c) periodically, in accordance with the regulations; and
- (d) if the licence is cancelled or revoked by the Registrar, within 30 days after the cancellation or revocation.

Definitions

- (3) In this section,
 - (a) “**series event**” means a number of events on more than one occasion during a period not exceeding 12 months from the validity date on the licence; and
 - (b) “**single event**” means an event held on a single occasion as indicated on the licence.

INSPECTIONS

21. Registrar may appoint inspectors

- (1) The Registrar may appoint persons as inspectors for the purposes of this Act and the regulations.

Authority of inspector

- (2) For the purpose of ensuring compliance with this Act or the regulations, an inspector may, without notice during business hours and on the production of a copy of the inspector’s appointment, enter any business premises of the licensee, other than a part of the premises used as a dwelling, and carry out an inspection.

Inspection powers

- (3) For the purposes of an inspection, an inspector may
 - (a) examine, extract information from and make copies of all records and other relevant information that in the opinion of the inspector are required to carry out the inspection; and
 - (b) interview or request information from a licensee, an employee or another person involved in conducting, managing and operating a lottery scheme.

Compliance required

- (4) The licensee and any employee or other person involved in the conduct, management and operation of a lottery scheme shall comply with an inspector and provide all records or other relevant information requested by the inspector in connection with the inspection.

Failure to comply, consequences

- (5) Where a person fails to comply with the requirements of subsection (4), without reasonable cause, the inspector
 - (a) may apply to the court, without notice, for a warrant authorizing the inspector to enter the premises and carry out an inspection in accordance with subsection (3); and
 - (b) shall report the failure to comply to the Registrar.

22. Prohibition – hindering, obstruction

- (1) No person shall hinder or obstruct the conduct of an inspection under this Act or the regulations.

Prohibition – providing false, misleading information

- (2) No person shall knowingly provide false or misleading information, whether orally or in writing, to a person conducting an inspection under this Act or the regulations.

23. Registrar may require audit

Where the Registrar considers it necessary, the Registrar may require an audit by an independent auditor in respect of any licence and the cost of the audit shall be paid for by the licensee.

REVIEW AND APPEAL OF DECISIONS, ORDERS

24. Appeal to Commission

- (1) A decision referred to in section 7 or an order referred to in section 8 may be appealed by filing a notice of appeal with the Commission, in the form prescribed by the Commission.

Appeal within 30 days

- (2) A notice of appeal shall be submitted to the Commission within 30 days after the person or organization that is the subject of the decision or order is given notice of the decision or order.

Commission may grant stay

- (3) The Commission may in its discretion grant a stay of an order being appealed and may attach any conditions to the stay that it considers appropriate.

Commission determines procedure

- (4) Subject to adherence to the rules of natural justice, the Commission shall determine its own procedure.

Registrar and appellant are parties

- (5) The Registrar and the appellant are parties to the proceedings before the Commission under this section.

Authority of Commission

- (6) On holding an appeal under this section, the Commission may
- (a) confirm the Registrar's decision to refuse to issue a licence, to impose terms or conditions on a licence, to suspend a licence or to cancel a licence;
 - (b) direct the Registrar to issue a licence, on the terms or conditions that the Commission considers appropriate; or
 - (c) direct the Registrar to vary any terms or conditions imposed on the licence.

Compliance with direction

- (7) Where the Commission directs the Registrar to issue a licence under clause (6)(b) or to vary terms or conditions imposed on a licence under clause (6)(c), the Registrar shall comply with that direction.

OFFENCE AND PENALTY

25. Offence

Every person who contravenes a provision of this Act or the regulations is guilty of an offence and liable on summary conviction

- (a) for a first offence, to a fine of not less than \$200 and not more than \$2,000;
- (b) for a second offence, to a fine of not less than \$500 and not more than \$5,000; and
- (c) for a third or subsequent offence, to a fine of not less than \$1,000 and not more than \$10,000.

REGULATIONS

26. Regulations

(1) The Lieutenant Governor in Council may make regulations

- (a) respecting the conduct and management of a lottery scheme, including reporting requirements;
- (b) prescribing terms and conditions subject to which a licence may be issued for a lottery scheme;
- (c) prescribing games of chance that may be played under a licence;
- (d) prescribing the information required to be contained in the advertising of a lottery scheme and restrictions on the sale and advertising of lottery tickets;
- (e) prescribing the amounts and values of prizes that are allowed under a lottery scheme;
- (f) prescribing fees payable on application for a licence or a designation;
- (g) respecting any other matter necessary to carry out the purpose of this Act.

Standards and procedures may be adopted

(2) The Lieutenant Governor in Council may make regulations adopting by reference, in whole or in part and with any changes the Lieutenant Governor in Council considers appropriate, a standard or set of procedures for the conduct or management of a particular lottery scheme or lottery schemes in general,

- (a) enacted as or under the law of another jurisdiction, including a jurisdiction outside Canada; or
- (b) set by a provincial, national or international body or any other body that has authority to make standards or set procedures respecting lottery schemes.

TRANSITION – EXISTING LICENCES

27. Transition of existing licence

(1) A licence issued pursuant to the Lottery Schemes Order (EC884/84) that is valid and in force on the coming into force of this section

- (a) is deemed to be a licence issued by the Registrar under this Act;
- (b) continues in force according to its terms until it expires or is suspended or cancelled in accordance with this Act; and

- (c) may be amended, suspended or cancelled as if it had been issued by the Registrar under section 6.

Transition of existing designation

- (2) A designation made pursuant to the Lottery Schemes Order (EC884/84) that is valid and in force on the coming into force of this section is deemed to be a designation made by the Registrar under section 6.

CONSEQUENTIAL AMENDMENT

28. Island Regulatory and Appeals Commission Act

- (1) **The *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11, is amended as provided in this section.**

- (2) **Clause 5(c) of the Act is amended by the addition of the following after subclause (i):**

- (i.1) the Registrar under the *Charitable Lotteries Act* R.S.P.E.I. 1988, Cap. C-3.2,

COMMENCEMENT

29. Commencement

This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council.