



**STATE OF NEW YORK
RACING AND WAGERING BOARD**

Guidelines For Operating The Search For The Queen of Hearts¹

Search For The Queen Of Hearts is an approved raffle governed by the Games Of Chance Licensing Law and Sections 5620.22 and 5620.23 of the Board's Rules and Regulations, both of which impose a limit on the maximum monetary value of any single prize, and place a cap on the aggregate monetary value of the prizes that can be awarded during a single calendar year in all types of raffles (games that include the Search For The Queen Of Hearts, "50-50" raffles and "traditional" raffles).

Pursuant to statute, no single prize in any raffle can exceed \$50,000, except that an organization may award a single prize of up to and including \$100,000 if its games of chance license application (if required²) clearly reflects that the organization will award only one raffle prize within that calendar year valued at of up to, and including, \$100,000.

The maximum aggregate value of prizes that an organization can award in any one calendar year in all of the different types of raffles combined cannot exceed \$100,000.

Since the Search For The Queen Of Hearts is a raffle consisting of a series of raffle drawings in which a number of "secondary prizes" are awarded to players selecting cards other than the Queen of Hearts, the grand prize cannot exceed \$50,000 in value. Considering that the grand prize in Search For The Queen Of Hearts carries over progressively from week to week, the grand prize awarded for finding the Queen Of Hearts can, potentially, reach the \$50,000 limit on a single prize, and cause the aggregate series of prizes to reach the \$100,000 calendar year limit.

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² Whether or not a license is required is dependent upon the category of the raffle. Please review the Guidelines For Operating Raffles available on the Charitable Gaming page of the Board's web site to determine the Raffle Category of your Queen Of Hearts game.

To ensure compliance, every authorized organization must, first and foremost, set a cap on the maximum grand prize to be awarded in any the Search For The Queen Of Hearts raffle at not more than \$50,000 by stating on its license application (if required) and its House Rules that the grand prize for finding the Queen Of Hearts will be capped at an amount specified by the organization of up to, and including \$50,000, regardless of the number of raffle tickets sold.

Additionally, the license application (if any) and House Rules must clearly reflect that the receipts from the sale of all Search For The Queen Of Hearts raffle tickets collected after the grand prize cap of not more than \$50,000 is reached will be retained by the organization as raffle profit, and will be disbursed solely for the organization's lawful purposes pursuant to Section 186.5 of the General Municipal Law and Section 5624.21 of the Board's Rules and Regulations.

Most organizations plan to operate more than one Search For The Queen Of Hearts raffle per year, and they may do so only if the total prizes awarded in all types of raffles conducted within that same calendar year do not exceed \$100,000.

As previously stated, every authorized organization, whether it intends to conduct more than one Search For The Queen Of Hearts raffle per year, or not, must set the cap on the maximum grand prize to be awarded for finding the Queen Of Hearts in all of The Search For The Queen Of Hearts raffles it holds at up to, and including \$50,000, regardless of the number of raffle tickets sold.

Additionally, the organization must state on its license application (if required) and House Rules that the receipts from the sale of all Search For The Queen Of Hearts raffle tickets collected after the grand prize cap of \$50,000 is reached will be retained by the organization as raffle profit, and will be disbursed solely for the organization's lawful purposes pursuant to Section 186.5 of the General Municipal Law and Section 5624.21 of the Board's Rules and Regulations. If an organization's license application (if any) and its House Rules cap the grand prize at an amount lower than \$50,000, the receipts from the sale of all Search For The Queen Of Hearts raffle tickets collected after the grand prize cap is reached will be retained by the organization as raffle profit

Prior to the start of a second (third, etc.) Search For The Queen Of Hearts raffle held during the same calendar year, each authorized organization must examine its entire raffle activity to ensure that the total prizes to be awarded during the Search For The Queen Of Hearts and all other forms of raffles combined will not exceed \$100,000 during that calendar year. (To clarify, the total raffle prizes for a calendar year are comprised of the aggregate monetary value of the grand prize(s) awarded in all Search For The Queen Of Hearts raffles; the aggregate monetary value of secondary prizes awarded in all Search For The Queen Of Hearts raffles; the aggregate monetary value of prizes awarded in all "50-50" raffles; and the aggregate monetary value of prizes awarded in all "traditional" raffles.)

**Computing The Maximum Allowable Grand prize For The Second
(And Subsequent) Search For The Queen Of Hearts Raffle
Held In One Calendar Year**

As an example, let's say that an authorized organization conducting its first Search For The Queen Of Hearts raffle of the year sells tickets at five dollars each, and that the Queen Of Hearts will be the last card to be turned over in that raffle from among the game's fifty-four cards.

Since all secondary payouts are based on odds ranging from a low of 4 to 1 on a five dollar bet (for any 2, 3, 4, or 5), to a high of 20 to 1 on a five dollar bet (on any Queen other than Hearts), and there are four cards in each suit (except for the three Queens and two Jokers), the total secondary prize payout odds on all 53 cards equals 386 - 1. At \$5 per raffle ticket, the aggregate total of all secondary prize payouts on those 53 cards turned over before the Queen Of Hearts is discovered equals \$1,930 ($386 \times \$5 = \$1,930$).

Let's imagine that sales of raffle tickets were brisk and the grand prize reached \$50,000 and was capped until the last card turned over was the Queen Of Hearts. Since all 54 cards were turned over, the total prizes awarded in that raffle equaled \$51,930 (the \$50,000 grand prize + \$1,930 in secondary prizes = \$51,930).

Let's also imagine that the authorized organization awarded a combined payout of \$10,500 in other raffle prizes that year through a "traditional" raffle and a series of "50-50" raffles that, when combined with the prizes awarded in The Search For The Queen Of Hearts raffle, totaled \$62,430.

This figure will directly affect both the single grand prize and the total series of secondary prizes that can be lawfully awarded in the second Search For The Queen Of Hearts raffle conducted that year.

Prior to the start of the second Search For The Queen Of Hearts raffle, the organization in our example must add the total monetary value of all raffle prizes awarded to date, and subtract that total from \$100,000, as follows:

1. Adding the aggregate secondary prizes of \$1,930 to the \$50,000 grand prize for finding the Queen Of Hearts totals \$51,930.

Adding the \$10,500 in other raffle prizes awarded thus far to the Search For The Queen Of Hearts raffle prizes totals \$62,430.

Subtracting \$62,430 from \$100,000 equals \$37,570.

2. To remain compliant, the organization in our example must ensure that the total sum of both the aggregate series of secondary prizes and the grand prize to be awarded in the second Search For The Queen Of Hearts, PLUS the total prizes awarded in other raffles held, or to be held, will not exceed \$37,570.
3. If, during the second Search For The Queen Of Hearts raffle of the year the grand prize approaches \$25,000, the organization must add the secondary prizes awarded each week in the second Search For The Queen Of Hearts raffle to the total prizes awarded in all other raffles thus far (\$62,430 in our example) and then add that amount to the secondary prizes awarded in the second Search For The Queen Of Hearts raffle to date.

Furthermore, it must also deduct the new total each week from \$100,000 to determine if a cap on the grand prize for finding the Queen Of Hearts must be set to prevent the total raffle prizes for the year from exceeding \$100,000.

Recommended Guidelines For Operating Search For The Queen Of Hearts

- 1) Equipment. A series of two-part, sequentially numbered raffle tickets; a raffle ticket drum or receptacle; a standard deck of fifty-two playing cards plus two Jokers; and a game board into which fifty-four playing cards can be placed facedown, side-by-side, and held securely by a locking, transparent cover;
- 2) The licensed authorized organization shall offer a series of two-part, sequentially numbered raffle tickets for sale at a price determined by the licensee. Each player shall write his or her name and telephone number on the licensee's part of the ticket, which shall be deposited into a raffle ticket drum or receptacle. The purchasing player shall retain the other part of the ticket as a receipt for verification purposes. All monies collected from the sale of Raffle Winners' Tickets shall be designated the Grand Prize Pool;
- 3) The deck of facedown playing cards shall be thoroughly shuffled by a licensed member in charge or assistant to the member in charge and, without revealing any of the faces, placed facedown, side-by-side, onto the game board. The transparent game board cover shall be closed and locked to secure the cards in place;
- 4) One raffle ticket shall be drawn each week from among all of the tickets sold for each drawing, except for the first week and the twenty-sixth week (if necessary), when three drawings shall be held. If the Queen of Hearts is not revealed within twenty-six weeks of drawings, one ticket shall be drawn in week number twenty-seven and each subsequent week until the Queen of Hearts is revealed and the grand prize is awarded;

- 5) The participant(s) holding the winning ticket stub(s) shall be declared the winner(s) of each drawing and shall be entitled to "Search For The Queen of Hearts";
- 6) All remaining tickets in the raffle drum or receptacle shall be defaced and discarded;
- 7) The transparent, locking cover securing the cards shall be opened by a licensed member in charge or assistant to the member in charge at the time of each drawing;
- 8) Each winner shall select one of the facedown playing cards, which shall be turned face up by a licensed member in charge or assistant to the member in charge. If that playing card is the Queen of Hearts the holder of the winning raffle ticket selecting that card shall be awarded 60% of the Grand Prize Pool. (Note: In actual practice, many organizations deposit 40% of the sales carried over for the Grand Prize immediately prior to each drawing, thereby protecting their portion of the Grand Prize Pool from week to week, while still ensuring that the winner is awarded 60% of the Grand Prize Pool. This method also makes it easier for an organization to regularly monitor the amount of the Grand Prize Pool to ensure that it will be capped according to the limit specified in their license application [if any] and their House Rules);
- 9) If the card selected is not the Queen of Hearts, that card shall be defaced by drawing a diagonal line across its face in ink; the card shall be returned to the game board face-up; the transparent, locking cover securing the cards shall be locked by a licensed member in charge or assistant to the member in charge; and that player shall be immediately awarded a cash prize valued according to the following schedule:

<u>Card Drawn</u>	<u>Payout Odds</u>
Any 2, 3, 4, or 5	At least 4 - 1
Any 6, 7, 8, or 9	At least 6 - 1
Any 10, Jack, or King	At least 8 - 1
Any Ace	At least 10 - 1
Any Joker	At least 15 - 1
Any Queen other than Hearts	At least 20 - 1

- 10) The weekly raffle drawings shall continue until a winner selects the Queen of Hearts;
- 11) When the Queen of Hearts is selected, the winning player shall be awarded the Grand Prize consisting of 60% of the Grand Prize Pool (please see the notation following #8, above);
- 12) The licensee shall retain the remaining 40% of the Grand Prize Pool as raffle profit and shall secure those funds for deposit into the special games of chance (raffle) checking account (if applicable), or other bank account;
- 13) A sign shall be posted in all areas where the game Queen of Hearts is conducted and at all locations where tickets to participate in Queen of Hearts are sold stating that the total prize pool shall be comprised of sixty percent of sales; a listing of the payout odds specified above on cards valued Two through King (excluding the Queen of Hearts); and that forty percent of all ticket sales will be retained by the authorized organization as profit.

Note: For additional information related to the conduct of The Search For The Queen Of Hearts kindly review our features Frequently Asked Questions Regarding Search For The Queen Of Hearts and the Guidelines For Operating Raffles available on this web site.