



# Work Session: Raffles

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Regulation Unit



# What is a raffle?

Pre-numbered tickets sold for  $\leq$  \$100 each

Prizes awarded by a drawing -- bona fide charitable or nonprofit organization

Only members can operate or manage raffle

Gambling receipts go to the benefit of the organization

*Source: RCW 9.46.0277*



# Who can offer raffles?



BONA FIDE  
CHARITABLE/  
NONPROFIT  
ORGANIZATIONS



COMMERCIAL  
BUSINESSES



INDIVIDUALS

*Source: RCW 9.46.0209*

# NPO Qualifications

ORGANIZED ONLY FOR PURPOSES:

Agricultural

Fraternal

Athletic

Patriotic

Charitable

Political

Civic

Social

Educational

**OR**

ONE OF THE FOLLOWING:

Agricultural Fair

Fraternal Society

Church

Grange

*Source: RCW 9.46.0209*

# Unlicensed raffles

## PUBLIC

NPOs may offer unlicensed bingo, raffles & amusement games. Up to 2 per calendar year

Combined gross receipts must be  $\leq$  \$5,000

Must follow raffle rules

*Source: RCW 9.46.0321, RCW 9.46.0315, WAC 230-11-075*

## MEMBER

2 public raffles + unlimited members-only raffles each year

Members-only raffle combined gross receipts must be  $\leq$  \$5,000

Tickets sold ONLY to members and guests

Must follow raffle rules

# When is a raffle license required?

Gross receipts will be > \$5,000

More than 2 public raffles per year

Certificates for firearms are awarded as a prize

Tickets bundled/sold at discount

Alternative drawing is used – i.e., duck race, poker run



# Raffle restrictions

## RCW

Ticket price may not exceed \$100 for the raffle drawing

No paid sales people; members only

Proceeds can't benefit an individual

Must provide physical ticket with unique number

## WAC

No free tickets

Tickets must be consecutively numbered

If the winner is not required to be present to win, there must be a detachable stub to include name, address, and telephone number

Rules of raffle must be disclosed to participants

Must be 18 or older to purchase tickets

Credit cards may be used to purchase tickets

## OTHER

The US Post Office has restrictions on mailing tickets

# Discounted tickets

One discount plan per raffle

Plan must be established before selling any raffle tickets

Must be licensed

Single, non-discounted tickets must be available to all participants

Bundled into booklets containing a prescribed number of tickets for the discount scheme

Tickets in booklets may not be sold individually

Booklet cover will be imprinted with the discount scheme

*Source: WAC 230-11-025*



# Free tickets & incentives



FREE RAFFLE  
TICKETS



RAFFLE TICKETS  
AS A PRIZE



NON-CASH  
INCENTIVES FOR  
TICKET SALES

*Source: WAC 230-11-030, WAC 230-11-035*



# Standard Raffle Drawing

# Alternative drawing formats

## RAFFLE LICENSEES

Mock races	Bucket raffles
Duck races	Calendar raffles
Poker runs	Joker Poker
Ball drops	Queen of Hearts
Animal plops	
Multiple stage drawings	

## MEMBERS ONLY

- Mock animal races
- Video races
- Paddle wheel
- Card deck raffles

*Source: WAC 230-11-055, WAC 230-11-090*

# Joker Poker / Queen of Hearts



53 envelopes, each containing a card from a 52-card deck and one Joker

Raffle tickets are purchased

The person whose ticket is drawn gets to choose an envelope.

If the envelope has any card other than a Joker, they win a nominal prize.

Another raffle is conducted during a subsequent week. Pot grows as the amount of remaining cards diminishes.

Continues until someone selects a Joker. That person wins the posted prize.



\$1.00 a ticket and they are placed into the drawing. If your ticket is drawn, you get to pick one of the envelopes.  
If you pick the QUEEN OF HEARTS, you win the jackpot. Each week one ticket is drawn, and one card comes off the board, so each week your chance gets better. Since this is a 50/50 split with the club, not only do you have fun, you are supporting the club too.  
AKO  
Any card 2 thru 10 gets \$50.00  
any Face card gets \$75.00  
any Ace or Joker gets \$100.00

Wa. State Gambling Laws prohibit any raffle prize payout to exceed \$40,000.  
Therefore Queen of Hearts will be capped at that amount.  
Each drawing is an individual raffle playing for a chance to win the posted amount. All money generated from the raffle is considered part of the Burien Eagles assets.

QUEEN OF HEARTS  
1369 50

### BURIEN EAGLES #3523

A wooden raffle board with a glass front. The board is divided into several vertical columns by metal dividers. Each column contains a stack of brown envelopes. On the right side, a fan of playing cards is visible, including the Ace, King, Queen, Jack, and 10 of hearts. A single 8 of clubs card is also visible in one of the envelopes on the right. The board is mounted on a wall.

# Joker Poker / Queen of Hearts

Allowed under raffle rules

Rules must be posted

Proceeds are organization's money

Sales recorded as gross receipts,  
regardless of prizes awarded.

Must keep records in format  
prescribed by the Commission



# Prize limits

**\$40,000**

Individual Prize Limit

**\$300,000**

Annual Prize Limit

*Source: WAC 230-11-065, WAC 230-11-067*

# Prize rules

**Merchandise** prizes must be paid for in full prior to the drawing

**Cash** prizes must be available at the time of the drawing: cash or check

**Liquor** can only be offered as a prize in unlicensed members-only raffles with proper permit, unless otherwise authorized by the WSLCB

**Firearms** must be awarded using a certificate from a licensed firearm dealer; cannot award the firearm directly to the winner



# Raffle records: Low volume

Licensees with gross receipts up to \$50,000, and unlicensed raffles, are required to keep records containing the following:

- Gross receipts
- Prizes paid
- Net income
- Documentation of expenses
- Documentation of how proceeds were used

Source: WAC 230-11-095

Licensee: Lake Side Club Date of Drawing: July 9, XXXX

**1. Reconciliation of Ticket Sales**

<u>4000</u>	(-)	<u>0001</u>	(+)	1	(-)	<u>450</u>	(=)	<u>3550</u>
Ending Ticket #		Beginning Ticket #				# of Returned Tickets		Total Tickets Sold

**2. Activity Summary**

Gross Receipts: Total Tickets Sold	<u>3550</u>	X Per Ticket \$	<u>5.00</u>	= \$	<u>17,750</u>
Less Prizes Paid (See Winners Register)				(-)	<u>10,000</u>
Equal Net Receipts				=	<u>7,750</u>

Expenses:

License Fees	\$	<u>315</u>
Local Taxes		<u>778</u>
State Taxes		<u>175</u>
Equipment Rental		<u>0</u>
Advertisement		<u>250</u>
Cash (Over) / Short <sup>(A)</sup>		<u>15</u>
Other		<u>817</u>
		<i>Supplies 440 Repair 377</i>
Total Expenses	\$	<u>2,330</u>
Net Income	\$	<u>5,400</u>

**3. Other Required Information:**

<sup>(A)</sup> Cash (Over) / Short:

Gross Receipts \$	<u>17,750</u>	(-) Total Amount Deposited <sup>(B)</sup>	<u>17,735</u>	(=)	\$ <u>15.00 Short</u>
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Explanation of Cash (Over) / Short: \* Three tickets lost. See log.

<sup>(B)</sup> Schedule of Deposits:

Date	Amount	Date	Amount
<u>6/10/XX</u>	<u>\$ 1,125</u>	<u>7/1/XX</u>	<u>\$ 1,255</u>
<u>6/17/XX</u>	<u>3,250</u>	<u>7/2/XX</u>	<u>500</u>
<u>6/23/XX</u>	<u>4,850</u>	<u>7/3/XX</u>	<u>305</u>
<u>6/28/XX</u>	<u>6,450</u>		
Subtotal From Attached Schedule (If Needed)			\$ <u>17,735</u>

# Raffle record: High volume & alt. format

Licensees with more than \$50,000 in gross receipts in their previous license year, and any raffle using an alternative drawing format, must prepare detailed records:

- Record all data required in the standard format we provide
- Maintain validated deposit receipts for each deposit of raffle proceeds
- All ticket stubs where participants were not required to be present at the drawing
- All winning raffle tickets
- A description of each prize, including the cost or FMV of donated prizes
- Name, address and telephone number of each winner of prizes valued at over \$20

# Gambling account required

A separate gambling account is required for licensees with gross receipts above \$50,000

If the licensee already has a gambling acct for another activity, that acct may be used for raffle income

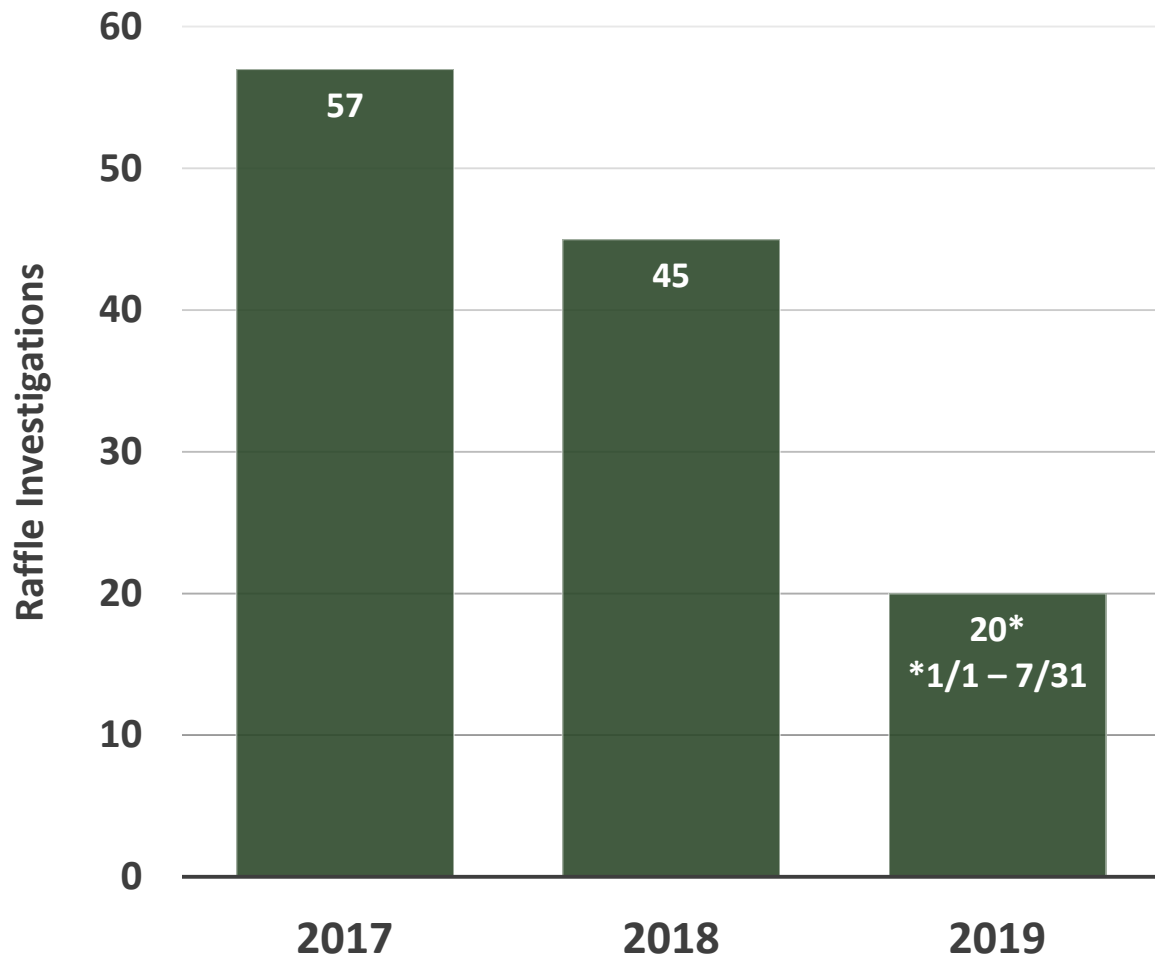
All receipts must be deposited in gambling receipts acct at least weekly for raffles over \$50,000

Only gambling deposits into gambling acct

*Source: WAC 230-07-090*



# Raffle complaints/investigations



Types of complaints include:

- Operating without a license
- Commercial business operating a raffle
- Online/Facebook raffles
- Operating discount schemes without a license
- Drawing process
- Prizes not awarded
- Use of funds

# Example: Online/Facebook raffles

Person holding raffle is not qualified or licensed

Advertising, selling tickets on Facebook

Discount ticket sales

Prizes (vehicles, horses, alcohol, etc.)

\*\*Resolution: Education/cease activity; refund money; enforcement when necessary – cease & desist or criminal charges

Winner: Amy Smith [Raffle](#) Closed Arianna's [Raffle](#)  
Ticket Donation \$5 Buy 5 get 1 free All names will be added to a randomizer and she will pick a winner live. Cup will be shipped within 48hours (getting its last clear tonight) [Raffle](#) will be pulled tomorrow at... [See More](#)



40

36 Comments

Admin · May 28 at 3:29pm

Ari wants to have 1 auction and 1 raffle for her cup. Auction for the Glitter cup and Raffle for the Ink cup. You guys think that's fair?

Raffle tickets would be \$5 each

Auction starts at \$10 and goes up with \$1 increments.

All proceeds go to Ari for her Birthday.

34 Reactions 8 Comments

Like

Comment

34

# Strengthen stakeholder relationships

Study raffle rules and strengthen relationships with non-profits

Agency request legislation to amend RCW 9.46.0209 to clarify which organizations are authorized to conduct gambling

Looking for potential WAC rule changes to assist non-profit organizations conducting raffles:

WAC 230-11-055 Authorized alternative drawing formats

WAC 230-11-025 Bundling and selling tickets at a discount

New rule to allow for progressive raffles (i.e. Joker Poker)



# Thank you

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