



# WASHINGTON STATE GAMBLING COMMISSION



## PROMOTIONAL CONTESTS OF CHANCE

Promotional contests of chance (PCOC's) are "free entry" contests that commercial businesses can use to promote their products or services.

Commercial businesses do not have to register or get a license to have a PCOC. Individuals and charitable or non-profit organizations cannot offer PCOC's. An example of a PCOC is when a restaurant gives a free lunch to someone who has placed his/her business card in a jar for a drawing.

It is common for people to mistakenly refer to PCOC drawings as raffles. PCOC's are not raffles because they are free to enter "promotional drawings." Raffle tickets must be purchased.

The purpose of a PCOC is to advertise or promote the services, goods, wares or merchandise of a commercial business. It is not to raise money for an individual, commercial business, or charity. As an alternative, charities may be eligible to offer a raffle.

There must always be a way for anyone to enter a PCOC for free. Additional entries can be based on a purchase of services, goods, wares or merchandise; however, contests offered through the mail must not offer additional entries based on purchases.

### COMPLAINTS

If you'd like to file a complaint about a promotional contest of chance, please contact the following agencies:

Washington State Attorney General Consumer Protection Division

[www.atg.wa.gov](http://www.atg.wa.gov)

Federal Trade Commission

[www.ftc.gov](http://www.ftc.gov)

If you were solicited by mail, contact:

U.S. Postal Inspection Service [www.uspis.gov](http://www.uspis.gov)

### POSTING RULES

Rules relating to promotions should be posted and clearly state the following:

1. No purchase is required to enter the contest.
2. Name and address of promoter and sponsor of the promotion.
3. All eligibility requirements.
4. The termination date for eligibility and whether it is a postmark or receipt date.
5. The number, retail value and complete description of all prizes offered and whether cash may be awarded instead of merchandise.
6. Approximate odds of winning (if the odds will depend on the number of entries, state this).
7. Geographic area covered and areas in which the offer is void.
8. The date winners will be chosen and notified.
9. Method by which winners will be selected.
10. Whether or not the winner must be present for the drawing.
11. Publicity rights regarding use of the winner's name.
12. Mailing address to allow consumers to request a list of winners of prizes greater than \$25 in value.
13. Whether or not the winner is responsible for applicable state or federal taxes (winner can be required to pay taxes, but only if the taxes are paid directly to a government entity).

### ENTRY REQUIREMENTS

You CAN'T require a person to:

- Purchase anything of value from your business to be eligible to enter the contest or receive a scratch ticket or game piece. There must be a way for a person to enter the contest or receive a game piece without purchasing a product (for example, requesting one by mail). After the initial free entry, people can receive extra entries into the promotion/drawing when they purchase goods or services.



- Call a 900 number to enter a contest or collect a prize.
- Pay shipping or delivery charges or judging fees.
- Give out credit card or bank account numbers.

**You CAN require a person to:**

- Visit a business location.
- Place or answer a telephone call.
- Complete an entry form or customer survey.
- Furnish a stamped, self-addressed envelope.
- Obtain a coupon or entry blank by purchasing a bona fide newspaper or magazine, or a program sold in conjunction with a regularly scheduled sporting event.
- Listen to a sales presentation and receive an entry ticket after the presentation.

## **BAR BINGO/ NO-FEE BINGO**

Businesses may offer a promotion similar to bingo, often referred to as “no-fee bingo” or “bar bingo.”

Requirements for Bar Bingo (WAC 230-18-010):

- Not charge a fee to play or require a purchase.
- Use recreational bingo cards (cards that are not used in “real” bingo games).
- Not operate the game for more than a total of three hours per day, twice per week.
- Award only merchandise items, such as food, hats or shirts valued at less than \$25.
- Not award prizes worth more than \$100 per week, or \$5,000 per year.
- Record names of winners and prizes won.

## **FREE POKER PROMOTIONS/TOURNAMENTS**

The popularity of poker has inspired “free poker” promotions at businesses, usually taverns, use to attract customers.

Some businesses hire outside companies to arrange free poker games or tournaments. Whether you offer free poker games to your customers, or hire an outside company to run the games, there are restrictions.

Players must not be charged any fee, directly or indirectly, to participate in a promotional poker game. For example, players cannot be charged an entry fee; this would be a direct fee. Players cannot be required to purchase food, drink, goods or services; this would be an indirect fee.

Businesses may award prizes to winners of free poker promotions and tournaments.

Players must not be allowed to gamble, wager or bet against another player during free poker promotions or tournaments.

If free poker is played as a promotion at your business,

you are responsible for making sure all appropriate federal, state and local laws are followed. You could face criminal charges for not following the laws.

If you have a gambling license and violate the rules, you could face administrative penalties (fines, suspension, or revocation of your gambling license).

Free poker as a promotion is not a gambling activity and does not require a license or permit from us.

## **ADDITIONAL RULES**

Banks and credit unions can have a drawing for a prize for people who deposit money in a savings account, certificate of deposit, or any other savings program. These contests cannot be done over the Internet.

Punchboards and pull-tabs cannot be used in a promotion, unless the scratch-off game cards or game tickets are specifically designed and manufactured for promotional purposes indicating no purchase required and readily distinguishable from regulated pull-tabs sold in the state.

Promotions can be advertised. This includes newspapers, magazines, signs, the Internet and across state lines.