



# WASHINGTON STATE GAMBLING COMMISSION



## RAFFLES

### WHAT IS A RAFFLE?

A raffle is a gambling activity, where tickets bearing an individual number are sold for not more than \$100 each and in which a prize or prizes are awarded on the basis of a random drawing or selection process.

### WHO CAN OFFER RAFFLES?

Only certain charitable or nonprofit organizations can offer raffles (see below). Credit unions, cities, counties, towns and executive-branch state employees can also offer raffles (see below).

Individuals and commercial businesses cannot offer raffles, even if the money is given to charity.

### RAFFLE QUALIFICATIONS

Per RCW 9.46.0209, your charitable or nonprofit organization must be organized and operating for at least 12 months before offering a raffle.

The organization must have received:

- An Internal Revenue Service (IRS) exemption from paying federal taxes.
- Contributions must be tax deductible to the donor.
- 501(c)3 organizations typically meet this requirement.
- 501(c)(4) organizations may not meet this requirement.
- 501(c)(5), 501(c)(6), 501(c)(7) organizations are not qualified.

*Please refer to the IRS if you have questions about whether your organization meets this requirement.*

The organization must be registered as a nonprofit or charity with the Washington

Secretary of State (SOS). Please refer to SOS if you have questions about whether your organization is exempt from this requirement.

Your organization's by-laws or articles of incorporation must show a stated purpose as, or organized for, one or more of the following:

- Agricultural
- Athletic
- Charitable
- Civic
- Educational
- Eleemosynary
- Church
- Fraternal
- Patriotic
- Political
- Social
- Benevolent
- Scientific
- Grange
- Agricultural Fair
- Fraternal Society
- Religious Society

Any other stated purpose(s) would disqualify the organization from conducting raffles (licensed or unlicensed).

A school's ASB will usually qualify to offer raffles. Each group ASB, (Choir, band, debate) is part of the organization and does not individually have to meet the qualifying requirements. All raffle proceeds will be recorded as raffle proceeds for the qualified organization.

The following are exceptions:

- Credit unions or executive branches of state employees.
- County, city, or town. All raffle revenue less prizes and expenses must be used for community activities or to promote tourism.

### PROCEEDS FROM RAFFLES

Raffle proceeds must be used towards your organization's stated purpose. The proceeds may go to the charitable benefit of a specific person, but only if you request and receive approval from the Gambling Commission prior to offering the raffle. You can get approval from your local agent.



# RAFFLES

## TICKET SALES

- Maximum price per ticket is \$100.
- Tickets must be consecutively numbered or printed with letters or symbols that don't repeat.
- No free tickets or tickets as gifts.
- Tickets must be sold for the same price, unless you have a raffle license and are bundling tickets and selling them at a discount. For example, one ticket for \$5 and five tickets for \$20. If selling tickets for a discount, you must still have single, non-discounted tickets available.
- Tickets must only be sold by the organization's members.
- Members cannot be paid to sell tickets or manage the raffle, unless they are an employee and have other duties.
- Tickets must be paid for in full by cash, check or credit card. No IOU's.
- Tickets cannot be sold over the Internet or telephone.
- Tickets and/or payments for tickets cannot be sent through the US mail.
- Individuals under 18 years of age may sell tickets, only if:
  - Your organization's primary purpose is the development of youth; and
  - At least three members of your organization, age 18 or older, supervise the raffle; and
  - A member, 18 years or older, manages the raffle.

## RULES OF PLAY

Print rules on each ticket or on a handout:

- Cost per chance (\$100 maximum per ticket).
- Date, time and location of the drawing.
- Name of the sponsoring organization.
- Whether or not winners must be present for the drawing.
- Description of all prizes to be awarded. If the prize is a percentage of raffle gross receipts, like in a 50/50 raffle, a minimum prize must be disclosed and guaranteed.

## ADVERTISING

You can advertise using the Internet, telephone and mail.

## PURCHASING TICKETS

- Individuals must be 18 years or older to purchase tickets. Members of the selling organization may purchase tickets.

- Tickets cannot be sold over the Internet or telephone.

## PRIZES

- You must own the prizes before the drawing.
- Liquor can be a prize only at members-only raffles, with a permit from the Liquor and Cannabis Board.
- Firearms can be prizes only at licensed raffles, see WAC 230-06-025 for requirements.
- If the retail value of a prize is more than \$60,000, or you will give away more than \$400,000 in prizes during the license year, you must get approval.
- Whether prizes are donated or purchased, raffle proceeds should exceed the fair market value of prizes awarded.

## DETERMINING WINNERS

Ticket stubs from all sales must be placed into a receptacle and selected randomly to allow an equal chance of winning. There may be exceptions for alternative drawing formats such as joker poker, poker runs, or mock animal races.

## RECORDKEEPING

Recordkeeping and reporting requirements and forms are available on our website. Unlicensed raffle records must be kept for one year, and licensed raffles records must be kept for three years.

## PUBLIC RAFFLES

You may offer two unlicensed raffles to the public each year, if the combined gross revenue does not exceed \$5,000 in a calendar year. To exceed these limits, you must obtain a raffle license.

## CREDIT UNIONS

Credit unions may offer raffles if all revenue, less prizes and expenses, is donated to charity.

## MUNICIPALITIES

Counties, cities and towns may offer raffles if all revenue, less prizes and expenses, is used for community activities or tourism promotion activities.

# RAFFLES

## MEMBERS-ONLY RAFFLES

Charitable or nonprofit organizations may conduct unlicensed members-only raffles when:

- Tickets are sold and prizes awarded only to members of your organization.
- If you have a permit from the Liquor and Cannabis Board, liquor may be awarded as a prize.

Note: Organizations may hold an unlimited number of unlicensed members-only raffles, but combined gross revenue, (money taken in), cannot exceed \$5,000 in a calendar year. This \$5,000 limit is separate from the \$5,000 unlicensed public raffle limit.

## LICENSED RAFFLES

You must apply for a raffle license if:

- More than two public raffles are offered in a calendar year.
- Gross revenue from the two unlicensed public raffles will exceed \$5,000 in a calendar year.
- Gross revenue from unlicensed members-only raffles will exceed \$5,000 in a calendar year.
- You have a bingo or amusement game license and want to offer public raffles.
- Tickets are sold by someone other than a member of your organization. Unpaid volunteers may sell tickets, but only under the supervision of a member.
- Firearms are awarded as prizes.
- Offering a joint raffle with another organization.
- Giving non-cash incentives for selling tickets.
- Discounted tickets are sold at public raffles or members-only raffles.
- Winners are chosen using an approved alternative drawing format.

All raffle rules can be found in WAC chapter 230-11. If you have additional questions, please contact your local gambling agent or contact us at 1-800-345-2529 or [AskUs@wsgc.wa.gov](mailto:AskUs@wsgc.wa.gov).