

State Raffle Rules

-6 states clearly prohibit on-line raffles. Highlighted them in red below.

-What is not clear, can a resident of the other 5 states (not WA of course) participate in an on-line raffle in another state?

-4 states have some noted caveats/qualifications. Highlighted them in purple below.

<https://chance2win.org/us-online-legal-raffle/>

U.S. Online Raffle Legal Rules Summary by State

Are **Online Raffles** Legal? We get that question all the time. Online Raffle and Raffles in general are governed by state laws. YOU need to consult with your state laws as we cannot advise you. Here is some basic information we have found, but it is far from complete and is **NOT LEGAL ADVICE**. A few States, such as Utah and Hawaii have very strict laws. 45 States allow online raffles from what we can tell. Most states have various requirements regarding online raffles with the most common ones being the raffle must be for a non-profit charitable organization. Many states require that the raffle provide a way for someone to enter with no purchase necessary. Our understanding in Florida, for example, the raffle has to be for a charity, the name and address of the charity must be listed in the raffle rules, the date of the drawing must be posted and there must be a way for someone to enter without making a donation. So in the sample rules, Chance2Win has provided for all of these requirements, and the charity will accept self addressed stamp envelope with 1 per entry to meet the no purchase necessary requirement. The Sample Rules are simply a guideline, **you need to check with your governing organization to make sure your charity online raffle meets the requirements.**

Below is a summary of SOME OF the various legal information regarding **online raffles** by State. **This is not legal advice**, we always suggest you consult with an attorney regarding the proper rules for your giveaway.

Alabama Charitable Raffles (no)

Alabama does not allow any online charity raffles. Please see the following for more information:

Ala. Code § 13A-12-20

State charitable gaming laws ban raffles outright.

Alaska Charitable Raffles (yes)

Arizona Charitable Raffles (yes)

Arkansas Charitable Raffles (yes/no) - consult legal assistance

Arkansas is strange. Please see the following for more information:

Arkansas Code, § 23-114-101, et seq Department of Finance and Administration

<http://www.dfa.arkansas.gov/Pages/default.aspx>

The Director of the Department of Finance and Administration is the governing body. Charitable Bingo and Raffles Enabling Act is the code.

The following point is confusing:

23-114-202.2c All bingo faces and raffle tickets must be preprinted on paper or plastic in a form approved by the director. No electronic devices, machines, or facsimiles may be used as bingo faces, raffle tickets, or otherwise, by participants of games of bingo or raffles conducted under this chapter.

California Online Charitable Raffles (yes/no)

California allows Fundraising Raffles and there is some confusion about the issue about online charity raffles:

You need to make sure your charity follows the appropriate guidelines.

Governing legislation California Penal Code Section 320.5 State of California Department of Justice, Office of the Attorney General

<http://oag.ca.gov/charities/raffles>

Special Circumstances to pay attention to when creating your rules and your raffle:

320.5.b.4A At least 90% of the gross receipts generated from the sale of raffle tickets for any given draw are used by the eligible organization conducting the raffle to benefit or provide support for beneficial or charitable purposes.....

This makes 50/50 raffles in California difficult to do. The following two points make electronic raffles in California very difficult to do as well.

320.5.b.4C.e No raffle otherwise permitted under this section may be conducted by means of, or otherwise utilize, any gaming machine, apparatus, or device, whether or not that machine, apparatus or device meets the definition of slot machine contained in Section 330a, 330b, or 330.1

and

320.5.2 (2) A raffle may not be operated or conducted in any manner over the Internet, nor may raffle tickets be sold, traded, or redeemed over the Internet.....

Colorado (yes)

Connecticut (yes)

Delaware (yes)

District of Columbia (yes)

Florida (yes)

Georgia (yes)

Hawaii (no)

Hawaii does not allow online charity raffles. Please see the following for more information:

Haw. Rev. Stat. § 712-1220

illegal to do a raffle

Idaho (yes)

Illinois (yes)

Indiana (yes)

Iowa (yes)

Kansas (no)

Kansas does not allow charity raffles. Please the following for more info:

Kan. Stat. Ann. § 21-4302

Kentucky (yes)

Louisiana (yes/no) - Consult Legal Advice

Louisiana has some very interesting laws.

See the following Statute:

La. Rev. Stat. Ann. §§ 4:701-740; § 27-402

Charitable gaming is handled by the Office of charitable gaming

<http://www.ocg.louisiana.gov/default.asp>

Special Situations to pay attention to. Advise to consult a lawyer before hosting an online raffle.

The issue seems to be "... a loss of anything of value in order to realize a profit..." Given a non-profit charity does not make a profit, this law is confusing at best.

§90.3. Gambling by computer....

A. The Legislature of Louisiana, desiring to protect individual rights, while at the same time affording opportunity for the fullest development of the individual and promoting the health, safety, education, and welfare of the people, including the children of this state who are our most precious and valuable resource, finds that the state has a compelling interest in protecting its citizens and children from certain activities and influences which can result in irreparable harm. The legislature has expressed its intent to develop a controlled well-regulated gaming industry. The legislature is also charged with the responsibility of protecting and assisting its citizens who suffer from compulsive or problem gaming behavior which can result from the increased availability of legalized gaming activities. The legislature recognizes the development of the Internet and the information super highway allowing communication and exchange of information from all parts of the world and freely encourages this exchange of information and ideas. The legislature recognizes and encourages the beneficial effects computers, computer programming, and use of the Internet resources have had on the children of the state of Louisiana by expanding their educational horizons. The legislature further recognizes that it has an obligation and responsibility to protect its citizens, and in particular its youngest citizens, from the pervasive nature of gambling which can occur via the Internet and the use of computers connected to the Internet. Gambling has long been recognized as a crime in the state of Louisiana and despite the enactment of many legalized gaming activities remains a crime. Gambling which occurs via the Internet embodies the very activity that the legislature seeks to prevent. The legislature further recognizes that the state's constitution and that of the United States are declarations of rights which the drafters intended to withstand time and address the wrongs and injustices which arise in future years. The legislature hereby finds and declares that it has balanced its interest in protecting the citizens of this state with the protection afforded by the First Amendment, and the mandates of Article XII, Section 6 of the Constitution of Louisiana and that this Section is a product thereof.

B. Gambling by computer is the intentional conducting, or directly assisting in the conducting as a business of any game, contest, lottery, or contrivance whereby a person risks the loss of anything of value in order to realize a profit when accessing the Internet, World Wide Web,

or any part thereof by way of any computer, computer system, computer network, computer software, or any server.

Louisiana does not prohibit persons under the age of 18 from playing charitable gaming activities.....unless a computer/video device is utilized.

Maine (yes)

Maryland (yes)

Massachusetts (yes)

Michigan (not sure)

Michigan allows charity raffles. Please the following for more info:

Mich. Comp. Laws § 432.101 et seq Charitable Gaming Division of Michigan lottery.

http://michigan.gov/documents/BSL-CG-1824_26045_7.pdf

Potential Issues to be aware of:

Lotto or lottery cannot be used in advertising of a raffle or on the raffle tickets.

Physical tickets must be used in a the drawing.

License info must be printed on tickets.

Minnesota (yes)

Mississippi (yes)

Missouri (yes)

Montana (yes)

Nebraska (yes)

Nevada (yes)

New Hampshire (yes)

New Jersey (NO)

It was recently brought to our attention that even if you purchased a license for an online charity raffle, the state is not permitting online raffles.

New Mexico (yes)

New York (yes)

North Carolina (yes)

North Dakota (yes)

Ohio (yes)

Oklahoma (yes)

Oregon (yes)

Pennsylvania (yes)

Rhode Island (yes)

South Carolina (Yes)

South Dakota (yes)

Tennessee (yes)

Texas (yes)

Vermont (yes)

Virginia (yes)

Washington (no)

At this time Online Fundraising Raffles in Washington are monitored by the WA Gambling Commission

Wash. Rev. Code. Ann. § 9.46.0311 Washington state gambling commission

<http://www.wsgc.wa.gov/>

Washington, D.C. (yes)

West Virginia (yes)

Wisconsin (yes)

Wyoming (yes)

Utah (no)

The State of Utah prohibits Fundraising Raffles. We will not accept raffles hosted in Utah.

WASHINGTON STATE RAFFLE LAWS

USPS has federal laws that prohibit the use of the mail for gambling.

Only remedy is the transaction for the purchase of the ticket must occur in person. You can advertise the raffle online but all transactions relating to the raffle must occur in person.

Below are the applicable RCW's.

RCW 9.46.0245 Gambling Information

"Gambling information."

"Gambling information," as used in this chapter, means any wager made in the course of and any information intended to be used for professional gambling. In the application of this definition, information as to wagers, betting odds and changes in betting odds shall be presumed to be intended for use in professional gambling. This section shall not apply to newspapers of general circulation or commercial radio and television stations licensed by the federal communications commission.

RCW 9.46.240 Transmitting Gambling Information

Gambling information, transmitting or receiving.

(1) Whoever knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, the internet, a telecommunications transmission system, or similar means, or knowingly installs or maintains equipment for the transmission or receipt of gambling information shall be guilty of a class C felony subject to the penalty set forth in RCW [9A.20.021](#).

MONTANA STATE RAFFLE LAWS

RAFFLE GUIDELINES



ALL RAFFLE TERMS, including the date of the raffle drawing, must be available to the public prior to the sale of any raffle tickets. Typical raffle terms may include:

- ✓ date of the raffle drawing (mandatory term);
- ✓ the name and contact information of the raffle sponsor;
- ✓ persons eligible or ineligible to purchase tickets;
- ✓ locations where sales are known to be prohibited;
- ✓ cost of raffle tickets;
- ✓ a complete description of the prize(s) and its value;
- ✓ an estimated number of tickets to be sold which may be unlimited;
- ✓ the date ticket sales close; and
- ✓ the method of drawing winning ticket(s).

Raffles by nonprofits, colleges, universities, public school districts, or nonpublic schools must be publicly identified as a charitable raffle.

ACCEPTABLE PAYMENTS

Acceptable forms of payment for a raffle ticket include cash, check, e-check, or debit card. Credit cards are prohibited.

AGE RESTRICTIONS

A person under the age of 18 years of age **may not participate in a raffle** unless proceeds from the raffle are used to support charitable activities, scholarships or educational grants, or community service projects.

HOW TO KEEP THE RAFFLE DRAWING RANDOM AND FAIR

A drum or other receptacle containing raffle ticket stubs is approved to be used for the selection process as long as the stubs have been thoroughly mixed before the drawing.

Other containers or selection processes may be used if:

- the process is reasonably assured of being random and is not connected to an event that has its own significance (e.g. sports event, game of chance, contest); and
- the indicator of the raffle ticket purchaser's identity reasonably assures the random selection of a winner.

RECORDKEEPING

For each raffle conducted, any entity conducting the raffle shall maintain for a period of 12 months from the date of the raffle drawing, the following information:

- a record of the total proceeds collected;
- a detailed description of the prize(s) awarded;
- a description of the selection process used to determine the winner(s);
- a record reflecting the source of the prize(s), including any money paid to purchase prizes;
- a record of any administrative costs paid with raffle proceeds;
- a description of how the raffle was publicly identified as a charitable raffle, where applicable;
- the name and address of the person(s) awarded raffle prize(s); and
- a detailed record of the distribution of the charitable raffle proceeds, where applicable.

NONPROFITS OPERATING A RAFFLE

- A license or permit is not required to conduct a raffle in Montana. However, nonprofit organizations must register with the department if they wish to sell raffle tickets online.
- Nonprofits registered with the department may sell raffle tickets online (credit cards are prohibited). Registration requires submission of Form 46 to the department.
- Nonprofits may sell raffle tickets outside the state of Montana if the purchase is not prohibited in the jurisdiction in which the purchaser resides.
- A raffle may be held by a nonprofit where entry into the raffle is based on the payment of membership dues or purchase of items offered during a fundraising event such as a calendar or sponsor table.
- Raffle sponsors do not have to own the prizes being awarded in the raffle before the sale of any tickets (50-50 raffles are permissible under this regulation because the prize is not owned in advance of ticket sales).
- No limit on the value of the prizes.
- The proceeds from the sale of tickets for a raffle may be used only for charitable purposes or to pay for prizes.
- Income from raffles may not be used to pay for the administrative costs of conducting the raffle.
- Recordkeeping requirements (listed on page one) apply.

INDIVIDUALS OR FOR PROFIT BUSINESSES OPERATING A RAFFLE

- The sale of raffle tickets is restricted to events and participants within the geographic confines of the state at the time of purchase.
- The sale of raffle tickets may not be conducted over the internet. All raffle announcements or advertisements conducted over the internet must include this sale restriction, the name of the organization offering the raffle, and all raffle terms.
- All prizes must be owned by the raffle sponsor before the sale of any tickets (50/50 raffles are not permitted).
- The value of all prizes awarded in this type of raffle may not exceed \$5,000.
- Recordkeeping requirements (listed on page one) apply.

COLLEGES, UNIVERSITIES, OR PUBLIC SCHOOL DISTRICTS OPERATING A RAFFLE

- The sale of raffle tickets may not be conducted over the internet. All raffle announcements or advertisements conducted over the internet must include this sale restriction, the name of the organization offering the raffle, and all raffle terms.
- The sale of raffle tickets is restricted to events and participants within the geographic confines of the state at the time of purchase.
- Raffle sponsors do not have to own the prizes being awarded in the raffle before the sale of any tickets (50-50 raffles are permissible under this regulation because the prize is not owned in advance of ticket sales).
- No limit on the value of the prizes.
- The proceeds from the sale of tickets for a raffle may be used only for charitable purposes or to pay for prizes.
- Income from raffles may not be used to pay for the administrative costs of conducting the raffle.
- Recordkeeping requirements (listed on page one) apply.

Questions? Contact the Gambling Control Division at (406) 444-1971, visit <https://dojmt.gov/gaming/> or email gcd@mt.gov.

Reference 23-5-112, 23-5-158, 23-5-413, MCA; 23.16.202, 23.16.2602, ARM