



Washington State Gambling Commission

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Raffles

What is a raffle? (9.46.0277)

A raffle is a gambling event where tickets are sold and prizes are awarded based on a random drawing.

Who can offer raffles?

- Individuals and commercial businesses *cannot* offer raffles, even if the money is given to charity.
- Only certain charitable or nonprofit organizations can offer raffles (see below for qualifications).
- Credit Unions, Cities, Counties, Towns and Executive Branch State Employees can offer raffles (see back page for details).

Do you qualify to offer raffles? (RCW 9.46.0209)

- Your charitable or nonprofit organization must be organized and operating for at least 12 months before offering a raffle; and
- Your organization's by-laws or articles of incorporation must state you are organized and operating **only** for one or more of the following purposes:

- Agricultural
- Civic
- Patriotic
- Athletic
- Educational
- Political
- Charitable
- Fraternal
- Social

Or be one of the following:

- Agricultural Fair
- Fraternal Society
- Religious Society
- Church
- Grange



If your organization has a stated purpose(s) other than those listed above, you don't qualify to offer raffles.

Lobby groups typically don't qualify, even with a 501c rating from the IRS.

A school's PTA or ASB will usually qualify to offer raffles. Each group within a PTA or ASB (choir, band, debate) is part of the organization and does not have to individually meet the qualifying requirements. However, money raised and number of raffles conducted by each group counts towards the limits for the entire PTA or ASB.

Public raffles: (RCW 9.46.0321)

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

Whether your raffle is licensed or unlicensed, you must sell tickets, determine winners, and award prizes only in Washington State.

LICENSED RAFFLES

You must get a license to exceed these limits:

- Offer more than two *public* raffles 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.

When you apply for a license, you will need to prove your organization has:

- Made significant progress towards accomplishing its stated purpose(s) during the 12 consecutive months before applying for, or renewing, a license; and
- At least 15 voting members who elect the governing body.

You must get a license to offer these special features:

For 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 (WAC 230-11-030).

For both public and members-only raffles:

- Award firearms as prizes (WAC 230-06-025).
- Joint raffles (WAC 230-11-012).
- Give noncash incentives for selling tickets (230-11-035).
- Sell discounted tickets.
 - Public raffles: 230-11-025.
 - Members-only raffles: WAC 230-11-085, 086, 087.
- Choose winners using an alternative drawing format, such as a poker run.
 - Public raffles: WAC 230-11-050, 230-11-055.
 - Members-only raffles: WAC 230-11-090.

For licensed raffles, you need to:

- Display license when selecting winners (230-11-005).
- Check with your local taxing authority for any taxes due. The first \$10,000 of net proceeds is exempt from taxation (RCW 9.46.110).

If you have a bingo or amusement game license and want to offer public raffles, you need a raffle or "combination" license.

Selling tickets: (WAC 230-11-014 thru 230-11-035):

- 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.
- Tickets must only be sold by the organization's members.
- Members cannot be paid to sell tickets, 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 payment for tickets cannot be mailed.
- Individuals under 18 years of age may sell tickets, **only** if (WAC 230-06-010):
 - Your organization's primary purpose is to develop 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: (WAC 230-11-015)

The following information must be clearly printed on each ticket or available in writing:

- 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 the gross receipts of the raffle, a minimum prize must be disclosed.

Advertising: (RCW 9.46.240)

- You can advertise over the Internet or telephone.
- You can mail advertisements.

Purchasing tickets:

- Individuals must be 18 years or older to purchase tickets.
- Members may purchase tickets at both public and members-only raffles; however, membership must not be based on purchasing a ticket (WAC 230-11-006).

Prizes: (WAC 230-11-065):

- You must own prizes before they are awarded.
- Liquor and firearms cannot be prizes.
- If the retail value of a prize is \$300,000 or more, you must get approval from us (WAC 230-11-067).

Determining winners:

Ticket stubs from all sales must be placed into a receptacle and selected randomly to allow an equal chance of winning (WAC 230-11-040).

Notifying local police:

- Unlicensed raffles: Notify local police at least five days in advance of selecting winners (RCW 9.46.0321(6)).
- Licensed raffles: Notify local police, in writing, before selling tickets (WAC 230-06-055).

Use of raffle proceeds:

Proceeds must be used towards your organization's stated purpose. However, proceeds may go to the charitable benefit of a specific person, but only if you get approval from us before offering the raffle.

Recordkeeping & reporting: (WAC 230-11-095, 100, 105)

- Members must not be paid for managing raffles.
- Recordkeeping/Reporting requirements and forms are available on our website.
- Records must be kept for:
 - One year for unlicensed raffles (RCW 9.46.0321(7)).
 - Three years for licensed raffles.

Members-only raffles

(RCW 9.46.0315) (WAC 230-11-070 to 230-11-090)

In addition to two unlicensed public raffles each year, you may offer an **unlimited** number of members-only raffles, as long as the combined gross revenue from the members-only raffles does not exceed **\$5,000** in a calendar year. You need a license to exceed \$5,000.

For members-only raffles:

- Tickets must be sold, and prizes awarded, only to members of your organization or their guests. Guests cannot exceed 25% of members present at the meeting.
- Tickets must be sold and winners determined during the same meeting/event, at the same location.
- Liquor may be awarded as a prize, if you have a permit from the Liquor Control Board (www.Liq.wa.gov) or (360) 664-1600).

The following entities also qualify to offer raffles

Credit Unions if all revenue less prizes and expenses are donated to charity (RCW 9.46.0209(2)(a)).

Cities, Counties & Towns if all revenue less prizes and expenses are used for community activities or tourism promotion activities (RCW 9.46.0209(3)).

Executive Branch State Employees if an authorization letter from the chief executive official is available for review by us or local law enforcement. The following additional requirements apply (RCW 9.46.0209(2)(b)):

- Purpose of raffle must be disclosed to all participants.
- Tickets must be sold at the same price.
- Raffles may be conducted during a single meeting, event, business day, or for a longer period of time.
- Alternative drawing formats cannot be used.
- Prizes must be owned by the entity offering the raffle, before the date of the drawing.
- Gross receipts must be verifiable through deposit records or physical cash counts.
- Records must be kept at least one year at the location where the raffle primarily took place.

For more information about raffles:

Visit our website at www.wsgc.wa.gov and select:

- FAQs, Presentation, Training, Records
- Applications and Fees
- Raffle rules: WAC 230-11
- Contact the Internal Revenue Service at www.irs.gov for federal tax deduction and reporting requirements.

For regulatory and operational questions:

Contact our Field Office closest to you.

Everett..... (425) 304-6300..... EverettFO@wsgc.wa.gov
Spokane.... (509) 325-7900.. SpokaneFO@wsgc.wa.gov
Tacoma..... (253) 671-6280.... TacomaFO@wsgc.wa.gov

**Problem Gambling
Helpline
(800) 547-6133**

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