



Washington State Gambling Commission

Mailing Address: P.O. Box 42400, Olympia, WA 98504-2400

Located at: 4565 7th Avenue SE, Lacey, WA 98503

(360) 486-3440 ♠ 1-800-345-2529

TDD (360) 486-3637 ♠ FAX (360) 486-3631

Web Site: www.wsgc.wa.gov

UNLICENSED RAFFLES

What is a raffle?

A raffle is an event where an organization sells tickets and awards prize(s) based on a drawing conducted by the sponsoring organization. All net proceeds from a raffle must be used for the organization's stated purposes.

Who may conduct a raffle?

Only certain bona fide charitable or bona fide nonprofit organizations. Additionally, credit unions may conduct unlicensed members-only raffles.

Is my organization eligible to conduct a raffle?

Your organization must be organized for one or more of the following purposes:

Agricultural	Athletic	Benevolent
Educational	Charitable	Civic
Eleemosynary	Fraternal	Patriotic
Political	Social	

If your organization has been granted an IRS letter and/or any contributions to your organization are considered tax deductible, it will be presumed that you qualify. In addition, you must meet the following three requirements:

- Have been organized and operating for at least twelve months prior to selling any raffle tickets
- Be able to prove that the organization has made significant progress toward accomplishing its stated purposes during the twelve consecutive months prior to conducting a raffle
- Have at least fifteen voting members who elect the governing body

If your organization does not meet these qualifications, you are not eligible to conduct a raffle. Normally, trade unions or associations that primarily lobby do not qualify.

What types of unlicensed raffles are there?

There are two types of unlicensed raffles that qualifying organizations may conduct, each with its own requirements.

1) Members-only raffles: You must follow these rules when your organization conducts unlicensed members-only raffles:

- Tickets are sold only by members to members of the organization
- Prizes are awarded only to members
- Liquor may be awarded as a prize if a special permit is obtained from the Liquor Control Board
- You may hold an unlimited number of members-only raffles if the combined gross revenue from the members-only raffles does not exceed \$5,000 during a calendar year

2) Public raffles: In addition to members-only raffles, you may conduct up to two unlicensed public raffles each year. In public raffles, you can sell tickets to the public at large, not just to members of your organization. You must follow these rules when your organization conducts unlicensed public raffles:

- Tickets are sold only by members of the organization
- Liquor cannot be awarded as prizes
- Notify your local police agency at least five days prior to conducting the raffle

Under the law, you may offer two unlicensed bingo, amusement game **or** raffle events to the public each year. The combined gross revenue from the two unlicensed events offered to the public must not exceed \$5,000 in a calendar year. If one or both of your events are raffles and you will exceed this limit, you must obtain a raffle license.

Can credit unions offer raffles?

Yes, credit unions may conduct unlicensed members-only raffles and these raffles cannot be open to the general public. Credit unions cannot offer public raffles of any kind.

What restrictions apply to both unlicensed members-only raffles and unlicensed public raffles?

- No free tickets or gifts
- Tickets must be sold for the same price & may not be sold on credit or at a discount
- Prizes must be owned by the organization prior to the drawing
- Records must be maintained for at least one year
- Members cannot be paid for managing or operating the activity
- Firearms may not be awarded as prizes
- Winners must be chosen using the standard drawing format

When does an organization need a license?

You must obtain a raffle license if:

- Raffle tickets are sold by someone:
 - * Other than a member of the organization; or
 - * Under 18 years of age
- Firearms are awarded as prizes
- The gross revenue from **members-only** raffles will exceed \$5,000 in a calendar year and you want to conduct additional members-only raffles
- The combined gross revenue from **public** raffles, bingo and amusement games will exceed \$5,000 in a calendar year and you want to conduct additional public raffles
- Your organization wants to conduct public raffles, regardless of the revenue to be raised, and already has a license to conduct bingo or amusement games

In addition to a raffle license, you must obtain specific approval from the Commission if:

- Winners are chosen by an alternative drawing format, instead of the standard format (for example, duck race or poker run)
- Tickets are sold at a discount
- The retail value of a prize is \$40,000 or more

**Gambling can be a problem.
For help, call 1-800-547-6133**

Do I need to have certain information printed on my raffle tickets?

Yes, the following information should be clearly printed on each ticket:

- Cost per chance (\$25 maximum per ticket)
- Consecutively printed number of the ticket
- Date, time, and location of the drawing
- Name of the sponsoring organization
- Whether or not the winner 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

Who can purchase raffle tickets?

Anyone over the age of 18 may purchase a raffle ticket, including members of the charitable or nonprofit organization. However, membership cannot be dependent upon the purchase of a raffle ticket.

How do I conduct a drawing for a winner?

The standard drawing format requires that ticket stubs from all ticket sales must be placed in a container in such a manner that each ticket has an equal opportunity of being drawn as a winner.

If you are unclear about the requirements of conducting a raffle, please contact the Washington State Gambling Commission.

- ◆ Contact the U.S. Postal Service prior to sending raffle tickets through the U.S. Mail
- ◆ Contact the IRS for information regarding deductions of ticket purchases as donations and reporting requirements for prizes valued over \$600.00

For additional information:

- ♣ Gambling laws: RCW: 9.46.0209, 9.46.0277, 9.46.0315 & 9.46.0321
- ♣ Gambling rules: WAC: 230-12-027, 230-20-325, 230-20-335, 230-20-350, 230-20-360 & 230-08-070

GAMBLING COMMISSION REGIONAL OFFICES

Seattle(425) 776-6751, Ext. 221
Lynnwood@wsgc.wa.gov

Spokane(509) 456-3167, Ext. 228
Spokane@wsgc.wa.gov

Tacoma.....(253) 471-5312, Ext. 221
Tacoma@wsgc.wa.gov

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Please contact (360) 486-3458 or
TDD (360) 486-3637
