Promotional Contests of Chance

What is a Promotional Contest of Chance?
Promotional Contests of Chance (Promotions) are “free entry” contests commercial businesses can use to promote their products and services.
- Commercial businesses do not have to register or get a license to have a promotion.
- Individuals and charitable/nonprofit organizations cannot offer promotions.
- An example of a promotion is when a restaurant gives a free lunch to someone who has placed his/her business card in a jar for a drawing.

Purpose:
The purpose of a promotion is:
- To advertise or promote the services, goods, wares and merchandise of a commercial business.
- Not to raise money for an individual, commercial business, or charity. As an alternative, see if your charity can offer a raffle.

Entry requirements:
- There must always be a way for anyone to enter a promotional contest of chance 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.

Questions about promotions can be answered by either us or the Attorney General’s Office.

☑ Entry requirements are overseen by us.
If you have questions about items with a ✓ next to it, contact us.

☑ Misrepresentations in the rules, or of available prizes, procedures for selecting winners, and advertising are overseen by the Washington State Attorney General’s Office.
If you have questions about items with a ☑ next to it, contact the Attorney General’s Office, Consumer Protection Division.

Do rules for promotions need to be posted?
Yes, rules relating to promotions must be posted and clearly state the following:

☑ No purchase is required to enter the contest.
☑ Name and address of promoter and sponsor of the promotion.
☑ Entry procedures.
☑ All eligibility requirements, if any.
☑ The termination date for eligibility and whether it is a postmark or receipt date.
☑ The number, retail value, and complete description of all prizes offered and whether cash may be awarded instead of merchandise.
☑ Approximate odds of winning (if the odds will depend on the number of entries, state this).
☑ Geographic area covered and areas in which the offer is void, if any.
☑ The date winners will be chosen and notified.
☑ Method by which winners will be selected.
☑ Whether or not the winner must be present for the drawing.
☑ Publicity rights regarding use of the winner’s name.
☑ Mailing address to allow consumers to request a list of winners of prizes greater than $25 in value.
☑ 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).
Are there limits on what a person must do to enter a promotion? Yes.

**You must not 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 a person can enter a contest or receive a game piece without purchasing a product (for example, requesting one by mail).
- Call a 900 number to enter a contest or collect a prize (WAC 230-18-005).
- Pay shipping/delivery charges or judging fees.
- Give out credit card or bank account numbers.

**You may 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.

**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.

**Can pull-tabs be used in a promotion?**
Punch boards and pull-tabs must not be used in a promotion, unless the scratch-off game cards or game pieces are specifically designed for a promotion (WAC 230-18-015).

**Can bingo cards be used in a promotion?**
You may offer a promotion that is similar to bingo, often referred to as “no fee bingo” (WAC 230-18-010). Businesses must:
- Not charge a fee to play.
- 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 a day, twice a week.
- Award only merchandise items, such as food, hats, or shirts valued at less than $25.
- Not award prizes worth more than $100 a week, or $5,000 a year.
- Record names of winners and prizes won.

**Can promotions be advertised?**
Yes, promotions can be advertised. This includes newspapers, magazines, signs, the Internet, and across state boundaries.

### Laws and Rules

- **Gambling:** RCW 9.46.0356 and WAC 230-18
- **Consumer protection:** RCW 19.86
- **Promotional advertising of prizes:** RCW 19.170

### Complaints

Washington State Attorney General
Consumer Protection Division
(800) 551-4636  Website: [www.atg.wa.gov](http://www.atg.wa.gov)

Federal Trade Commission
600 Pennsylvania Ave NW
Washington, D.C. 20580

If you were solicited by mail, write:
Chief Postal Inspector, Mail Fraud Complaints
Washington, D.C. 20260-2100

### More information

**Gambling involves three elements:** Prize, Chance and Consideration (consideration includes an entry fee or anything of value). If one of these elements is removed, it is no longer a gambling activity. For example, a contest with no entry fee is not gambling.

**Raffle:** Raffles are a gambling activity. Only bona fide charitable or nonprofit organizations are authorized to conduct raffles. See our Raffle Brochure for details.

**Skill Contest:** A winner is chosen on merit, such as best photo, recipe, or essay (skill) and not by chance; no gambling is involved. See Essay Contests Brochure for details. Skill contests are not regulated by us.

**Premium Offer:** A gift that companies make available to all recipients who respond according to the company’s instructions; for example, a tote bag is received with each new magazine subscription. This is not a gambling activity.

---

If you or someone you know have a gambling problem, call (800) 547-6133