



## Washington State Gambling Commission

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# 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

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**

To inquire about the availability of this document in an alternate format, please call (360) 486-3466 or (800) 345-2529, ext. 3466. Teletype (TTY) users please call (360) 486-3637