



Washington State **GAMBLING** COMMISSION

PROMOTIONAL CONTESTS OF CHANCE



Promotional contests of chance (promotions) are “free entry” contests that commercial businesses can use to promote their products or services.

Commercial businesses do not have to register or get a license to have a promotion. Individuals and charitable or non-profit organizations cannot offer promotions. An example of a promotion is when a restaurant gives free lunch to someone who has placed his/her business card in a jar for a drawing.

The purpose of a promotion is to advertise or promote the services, goods, wares or merchandise of a commercial business. It is not to raise money for an individual, commercial business or charity. As an alternative, charities may be eligible to offer a raffle.

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.

Rules Must be Posted

Rules relating to promotions must be posted and clearly state the following:

1. No purchase is required to enter the contest
2. Name and address of promoter and sponsor of the promotion
3. All eligibility requirements
4. The termination date for eligibility and whether it is a postmark or receipt date
5. The number, retail value and complete description of all prizes offered and whether cash may be awarded instead of merchandise
6. Approximate odds of winning (if the odds will depend on the number of entries, state this)
7. Geographic area covered and areas in which the offer is void
8. The date winners will be chosen and notified
9. Method by which winners will be selected
10. Whether or not the winner must be present for the drawing
11. Publicity rights regarding use of the winner's name
12. Mailing address to allow consumers to request a list of winners of prizes great than \$25 in value
13. 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)

Entry Requirements

You CAN'T 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 for a person to enter the 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
- Pay shipping or delivery charges or judging fees
- Give out credit card or bank account numbers

You CAN 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

Additional Rules

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.

Punchboards and pull-tabs cannot be used in a promotion, unless the scratch-off game cards or game pieces are specifically designed for a promotion.

You may offer a promotion that is similar to bingo, often referred to as "no fee bingo." Businesses must:

1. Not charge a fee to play
2. Use recreational bingo cards (cards that are not used in "real" bingo games)
3. Not operate the game for more than a total of three hours per day, twice per week
4. Award only merchandise items, such as food, hats or shirts valued at less than \$25
5. Not award prizes worth more than \$100 per week, or \$5,000 per year
6. Record names of winners and prizes won

Promotions can be advertised. This includes newspapers, magazines, signs, the Internet and across state lines.

Complaints

If you'd like to file a complaint about a promotional contest of chance, please contact the following agencies:

Washington State Attorney General
Consumer Protection Division
www.atg.wa.gov

Federal Trade Commission
www.ftc.gov

If you were solicited by mail, contact:

U.S. Postal Inspection Service
www.uspis.gov