



Washington State GAMBLING COMMISSION

RAFFLES



A raffle is a gambling activity, where tickets are sold and prizes are awarded based on chance.

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). Credit unions, cities, counties, towns and executive-branch state employees can offer raffles (see below).

Do I qualify to offer raffles?

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 article of incorporation must state you are organized and operation only for one of more of the following purposes:

Agricultural
Athletic
Charitable

Civic
Educational
Fraternal

Patriotic
Political
Social

Or be one of the following:

Agricultural Fair
Fraternal Society

Religious Society
Church

Grange

If your organization has a stated purpose 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 the number of raffles conducted by each group counts towards the limits for the entire PTA or ASB.

Use of Raffle Proceeds

Proceeds must be used towards your organization's stated purpose. Proceeds may go to the charitable benefit of a specific person, but only if you request and receive approval from the Gambling Commission prior to offering the raffle.

Selling Tickets

- 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
- Ticket 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
- Ticket 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 payments for tickets cannot be mailed
- Individuals under 18 years of age may sell tickets, only if:
 - 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

Print rules on each ticket or on a handout:

- 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 raffle gross receipts, a minimum prize must be disclosed

Advertising

You can advertise using the Internet, telephone and mail.

Purchasing Tickets

Individuals must be 18 years or older to purchase tickets. Members of the selling organization may purchase tickets.

Prizes

- You must own prizes before they are awarded
- Liquor can be a prize only at members-only raffles
- Firearms can be prizes only at licensed raffles
- If the retail value of a prize is more than \$40,000, or you will give away more than \$300,000 in prizes during the year, you must get approval

Determining Winners

Ticket stubs from all sales must be placed into a receptacle and selected randomly to allow an equal chance of winning.

Notifying Local Police

If you are conducting an unlicensed raffle, you must notify local police at least five days prior to selecting winners. If you are conducting a licensed raffle, you must notify local police, in writing, prior to selling tickets.

Recordkeeping and Reporting

Members must not be paid for managing raffles. Recordkeeping and reporting requirements and forms are available on our website. Unlicensed raffle records must be kept for one year, and licensed raffles records must be kept for three years.

Public Raffles

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 must obtain a raffle license.

Member-only Raffles

In addition to two unlicensed public raffles each year, you may offer an unlimited number of members-only raffle, 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. 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 Washington State Liquor & Cannabis Board.

Credit Unions

Credit unions may offer raffles if all revenue, less prizes and expenses, is donated to charity.

Counties, Cities & Towns

Counties, cities and towns may offer raffles if all revenue, less prizes and expenses, is used for community activities or tourism promotion activities.

Licensed Raffles

You must apply for a raffle license if:

- More than two public raffles are offered 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
- You have a bingo or amusement game license and want to offer 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.
- Firearms are awarded as prizes
- Offering a joint raffle with another organization
- Giving non-cash incentives for selling tickets
- Discounted tickets are sold at public raffles or members-only raffles
- Winners are chosen using an alternative drawing format, such as a poker run

When you apply for a raffle license, you will need to prove that your organization has made significant progress towards its stated purpose(s) during the 12 consecutive months prior to applying for a license. For licensed raffles, you need to display your license when selecting winners. Check with your local taxing authority for any taxes due. The first \$10,000 of net proceeds is exempt from taxation.