

## Raffles May be Legal for Associations

### What is a Raffle?

- A raffle is a type of lottery in which prizes are awarded to people who pay for a chance to win. Each person enters the game of chance by submitting a detachable coupon or stub from the paper ticket purchased. At least 90% of the gross receipts from raffle ticket sales must be used by the eligible tax-exempt organization to benefit or support beneficial purposes to the state of California.
- Groups are prohibited from awarding raffle prizes by use of a gaming machine, apparatus, or device such as a slot machine. A raffle also may not be advertised, operated or conducted over the Internet. However, the organization conducting the raffle may place on its website an announcement of a raffle.

### Who May Hold Raffles?

Changes made in 2001 to California Law provide a narrow exception to the prohibition against gambling in California and permit certain raffles. Specified tax exempt groups, such as cooperating associations, may hold fundraising raffles, provided they follow procedures developed by the Attorney General's Office.

### Considerations for Legal Raffles

A qualifying organization must complete an Application for Registration (ct-NRP-1) with the **Attorney General's Registry of Charitable Trusts**. The group must receive confirmation of their application registration before holding the initial raffle. The Application for Registration must be completed annually. To contact the Attorney General's Registry of Charitable Trusts, call the public inquiry unit at (916) 322- 3360 or (800) 952-5225. Registration forms and other information can be found at the Attorney General's website at <http://caag.state.ca.us/charities/raffles.htm>.

**By September 1** of the year, (September 1- August 31) in which the raffle will be held, the raffle annual registration form must be mailed to the Registry with a nonrefundable \$20 registration fee. Checks should be made payable to the Department of Justice.

Before holding the raffle, the association must receive written registration confirmation. Confirmation could take up to 60 days.

Raffle registration forms are available via the website or may be requested from the California Department of Justice by mail, fax, phone or via the Attorney General's website.

### How must an Association Keep Track of the Raffles?

The association must report the date and location of the raffle, total funds received from the raffle, and total expenses for conducting the raffle. In addition, the charitable/ beneficial purpose for which raffle proceeds were used or the amount and organization to which the proceeds were directed must be described.

### **Raffle Checklist:**

- Registration form (along with \$20 nonrefundable fee)
- Wait for confirmation (up to 60 days)
- Follow guidelines of what a raffle constitutes (<http://caag.ca.us/charities/raffles.htm>)
- Keep all financial, and event planning records on file
- For more information visit the Attorney General's website.

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