



**Gaming
Commission**

**Division of
Charitable
Gaming**

Guidelines for Conducting Raffles

A reference guide for the conduct of raffles for authorized organizations, municipal clerks, and chief law enforcement officers.

(Please refer to NYCRR Section 4620.22 for more details regarding the operation of raffles.)

The following restrictions apply to the conduct of all Raffle Categories:

Raffle tickets may be sold and drawings conducted on an authorized organization's premises, the premises of another authorized organization, and a games of chance commercial lessor; during its licensed casino nights or carnival games of chance events; and during its licensed bingo occasions, in accordance with Section 4620.22(b)(5) of the Commission's Rules and Regulations;

Raffle tickets, as authorized by Section 4620.22(b)(6) of the Gaming Commission's rules, may also be sold to the public outside the premise of an authorized organization, provided such sales are conducted in municipalities which have passed a games of chance local law, ordinance or resolution that are located within the same county in which the authorized organization is domiciled or within municipalities within counties which are contiguous to the county in which the authorized organization is domiciled provided those municipalities have authorized the licensee, in writing, on a Raffle Consent Form to sell such raffle tickets therein;

Raffle drawings may be conducted at the premise of an authorized organization or games of chance lessor (which may include municipally owned property) located within the same municipality in which the authorized organization is domiciled that has passed a games of chance local law, ordinance or resolution. Additionally, raffle drawings may be conducted at the premise of an authorized organization or games of chance lessor within municipalities other than the municipality in which the authorized organization is domiciled within the same county and within contiguous counties to the county in which the authorized organization is domiciled that have passed a games of chance local law, ordinance or resolution provided prior written authorization is obtained from the clerk of the municipality in which such premise is located on a Raffle Consent Form as prescribed by the Gaming Commission.

Raffle drawings may also be conducted on premises other than that of an authorized organization or games of chance lessor located within the same municipality in which the authorized organization is domiciled and within municipalities within the same county in which the authorized organization is domiciled and within counties that are contiguous to the county in which the authorized organization is domiciled provided prior written authorization is obtained from the clerk of the municipality in which such premise is located on a Raffle Consent Form as prescribed by the Gaming Commission.

Only persons eighteen years of age or older shall purchase raffle tickets, sell raffle tickets, or conduct or assist in the conduct of a raffle drawing;

No sale of raffle tickets shall be made more than one hundred eighty days prior to the date scheduled for the occasion at which the raffle will be conducted;

Payment for the purchase of raffle tickets shall be made only with cash or checks. It is unlawful for organizations to accept credit card payments for the purchase of raffle tickets, including sales via the internet.

Neither the General Municipal Law nor Commission rules authorizes the sale of raffle tickets through the mail or over the internet.

Raffle tickets can be sold by a member of an authorized organization eighteen years of age or older, and may also be sold by any person eighteen years of age or older that has a blood relationship or affinity with a member of the authorized organization conducting the raffle pursuant to Rule 4620.22(b)(11), or a by any person eighteen years of age or older that has a blood relationship or affinity with a member of an authorized organization that is auxiliary to, or an affiliate of, the authorized organization conducting the raffle.

The winner of any raffle prize shall not be required to be present at the time such raffle drawing is conducted.

All proceeds derived from the conduct of raffles shall be deposited into a bank account maintained solely by the authorized organization and shall be disbursed only for the lawful purposes of the authorized organization pursuant to Section 4624.21 of the Gaming Commission's Rules and Regulations;

No single prize in any raffle shall exceed \$300,000; no series of raffle prizes shall exceed \$500,000, The maximum aggregate value of prizes that an organization can award in any one calendar year in all the different types of raffles, combined shall not exceed \$3,000,000.

It is prohibited to offer alcoholic beverages, real estate or an interest therein, shares of stock, bonds, securities or evidence of indebtedness or any merchandise refundable in any of the foregoing as raffle prizes.

Raffle Categories

Please select the raffle category below that best describes the type of raffle your authorized organization intends to conduct:

- A. If an authorized organization operates a raffle(s) in which the organization derives cumulative net raffle proceeds of at least \$30,000 from all raffles conducted during the calendar year or between \$5,000 and \$29,999 for any raffle refer to **Category 1.**

- B. If an authorized organization operates a raffle(s) in which the organization derives less than \$5,000 in net raffle proceeds from any single raffle and less than \$30,000 in net raffle proceeds from all raffles conducted during the calendar year refer to **Category 2.**

Raffle Category 1

When conducting raffles in which an authorized organization derives cumulative net raffle proceeds of at least \$30,000 from all raffles conducted during the calendar year, the authorized organization is required to:

- Apply for and obtain a Games of Chance Identification Number from the Gaming Commission;
- Submit a completed Games of Chance License application to the municipal clerk using forms GC-2, GC-2A, and GC-2B, along with a \$25.00 annual license fee and obtain a Games of Chance License issued by the municipal clerk on Form GC-5;
- File a financial statement of raffle operations on Form GC-7R with the municipal clerk and the Gaming Commission by January 30th of the following year;
- Remit an additional license fee to the municipal clerk (or county fiscal officer, if applicable) assessed at 2% of the reported net raffle proceeds over \$30,000 (Note: There is no additional license fee paid on the first \$30,000 derived in net raffle proceeds.);
- Maintain a special raffle checking account into which all raffle proceeds are deposited, and from which such funds shall be disbursed only for lawful purposes in accordance with Section 4624 of the Gaming Commission's Rules and Regulations;

If the net proceeds derived from a single raffle will be between \$5,000 to \$29,999 an authorized organization must:

- Apply for and obtain a Games of Chance Identification Number from the Commission;
- File a verified statement with the municipal clerk on Form GCVS-1 attesting that the net proceeds for each raffle conducted during the calendar year will be between \$5,000 to \$29,999;
- All proceeds derived from the conduct of raffles shall be deposited into a bank account maintained solely by the authorized organization to be disbursed only for the lawful expenditures permitted under Section 4624.21 of the Commission's Rules and Regulations;

- **Note:** If, during that calendar year licensed period the cumulative net proceeds derived from the conduct of raffles reach or exceed \$30,000, the authorized organization shall, as outlined above, apply for a license, file a GC-7R financial statement, and remit an additional license fee.

Examples of Category 1 Raffles:

Example A: An authorized organization conducts one raffle during the calendar year to award a raffle prize of a vintage automobile. The organization derives \$35,000 in net proceeds from the raffle.

Requirements: The organization must obtain a games of chance identification number from the Gaming Commission. The organization must then submit raffle license application forms GC-2, GC-2A and GC-2B and a \$25 raffle license application fee to the municipal clerk and obtain a raffle license from the clerk on form GC-5. Before January 30 of the following year, the organization must submit financial statement of raffle operations form GC-7R to the municipal clerk and the Gaming Commission and pay to the clerk, or, if applicable, to the county fiscal officer, an additional license fee of 2% of the reported net proceeds over \$30,000 (2% of \$5,000, or \$100).

Example B: An authorized organization conducts three separate raffles during the calendar year with a cash prize of \$7,500 for each raffle. The organization derives net proceeds of \$15,000 from the first raffle; \$9,000 from the second raffle; and \$8,000 from the third raffle, a total of \$32,000 for all raffles.

Requirements: Same as example A with payment of a 2% additional license fee of \$40 (2% of \$2,000).

Example C: An authorized organization conducts two raffles during the calendar year. The organization raffles an automobile and derives \$22,000 in net proceeds from that raffle. The organization also raffles a motorcycle and derives \$8,000 in net proceeds from that raffle.

Requirements: Same as examples A and B with no 2% additional license fee due since net raffle proceeds did not exceed \$30,000 for the calendar year.

Example D: An authorized organization conducts one raffle during the calendar year to award a raffle prize of a boat. The organization derives \$5,000 in net proceeds from the raffle.

Requirements: The organization must obtain a games of chance identification number from the Gaming Commission and submit the raffle verified statement licensing form GCVS-1 to the licensing municipal clerk and the Gaming Commission.

Example E: An authorized organization conducts five separate raffles during the calendar year with the five different raffle prizes being a stereo, a large screen television, a riding lawn mower, an ATV and a camping trailer. The organization derives net

proceeds of \$1,000 from the stereo raffle; \$2,000 from the television raffle; \$3,000 from the lawnmower raffle; \$4,000 from the ATV raffle; and \$18,000 from the camper raffle.

Requirements: Same as example D.

Example F: An authorized organization conducts only one raffle during the calendar year, a Queen of Hearts raffle that lasts 42 weeks. The organization derives net proceeds of \$29,000 from the raffle.

Requirements: Same as examples D, E.

Example G: An authorized organization conducts two raffles during the calendar year, one for a \$10,000 cash prize and one Queen of Hearts raffle that lasts 24 weeks. The organization derives net proceeds of \$8,000 from the cash raffle and \$21,000 from the Queen of Hearts raffle.

Requirements: Same as examples D, E, F.

Raffle Category 2

When conducting raffles in which an organization derives less than \$5,000 in net raffle proceeds from any single raffle and less than \$30,000 in net raffle proceeds from all raffles conducted during the calendar year, the organization is required to:

- Following an examination of its charter, certificate of incorporation or constitution, the organization's principal officers must make a self-determination in good faith that the organization meets the qualifications of an "authorized organization" as that term is defined in Section 190-a (2) of the General Municipal Law;

All proceeds derived from the conduct of raffles shall be deposited into a bank account maintained solely by the authorized organization to be disbursed only for the lawful expenditures permitted under Section 4624.21 of the Commission's Rules and Regulations.

- Note: If, during the course of a calendar year in which raffles are conducted, an authorized organization derives net raffle proceeds of at least \$5,000 from any single raffle or at least \$30,000 in net raffle proceeds from all raffles conducted during the calendar year, the authorized organization shall apply for and obtain a Games of Chance Identification Number from the Gaming Commission and follow the applicable licensing and filing requirements outlined in Raffle Category 1 as described above.

Examples of Category 2 Raffles:

Example A: An authorized organization conducts a 50/50 raffle every Saturday night at its club during the calendar year on the 52 separate Saturday nights of the calendar year. The organization derives net proceeds of \$200 from each separate 50/50 raffle.

Requirements: There are no games of chance/raffle registration, licensing or financial reporting requirements. The organization must make a self-determination that the organization qualifies as an authorized organization pursuant to Article 9-A of the

General Municipal Law and it must be domiciled in a municipality that has enacted a local games of chance law or ordinance to be eligible to lawfully conduct its raffles pursuant to all applicable games of chance/raffle laws and rules.

Example B: An authorized organization conducts two separate raffles during the calendar year, one for a \$1,000 gift certificate to the local department store and one for a \$500 gift certificate to the local grocery store. The organization derives net proceeds of \$4,500 from the department store raffle and \$3,000 from the grocery store raffle.

Requirements: Same as example A.

Example C: An authorized organization conducts two 50/50 raffles during the calendar year, one in the spring and one in the autumn. It also conducts a Queen of Hearts raffle that lasts 21 weeks. The organization derives net proceeds of \$3,200 from the first 50/50 raffle; \$4,100 from the second 50/50 raffle; and \$5,000 from the Queen of Hearts raffle.

Requirements: Same as examples A and B.