

RAFFLES

All raffles conducted by private or public organizations in Oregon must be licensed, unless they fall under the exception discussed in Section 1.

What is a Raffle?

A raffle is a form of lottery in which each participant buys a chance for a prize and the winner is determined by random drawing. As with all lotteries, a raffle includes the elements of consideration; chance and a prize. Consideration is presumed to be present unless it is clearly and conspicuously disclosed to prospective participants that tickets may be acquired without contributing something of economic value. See OAR 137-025-0020(4).

What is the difference between a raffle and a contest or sweepstakes?

A contest or a sweepstakes typically does not include the element of consideration. In other words, a person is not required to pay or to purchase any goods or services in order to receive a chance to get the prize. Any person or organization may conduct a contest or sweepstakes in Oregon where no consideration is required of the participant. No license or permit is required by the State of Oregon; however, there are statutes in effect to protect the public from certain sweepstake schemes and contests and you are urged to review these prior to beginning any such contest.

What are the raffle license classes?

There are two classes of raffle licenses. A Class A license authorizes a licensee to conduct raffles throughout the license year without restriction as to raffle handle. See OAR 137-025-0200(1).

A Class B license authorizes a licensee to conduct raffles throughout the license year with the handle for each such game not to exceed \$10,000. See OAR 137-025-0200(2).

What are the fees for a raffle license?

There are three types of fees. Every licensee pays an annual *license fee* when it applies for either a new license or a renewal. The license fees are \$100 for a class A license and \$40 for a class B license. Every licensee also pays an annual *report fee* equal to 2 percent of the raffle handle up to \$125,000 and 0.5 of 1 percent of the raffle handle in excess of \$125,000. Additionally, a *delinquency fee*, equal to one percent (1%) of the report fee, or \$20, whichever is greater, is assessed if the report is filed late. The minimum delinquency fee shall increase to \$50 after 60 days from the due date of the report.

License Upgrades

Licensees may upgrade by paying the appropriate license class renewal fee, if they upgrade when renewing their license. At any other time, the upgrade fee is the difference between the new license class fee and the fees already paid for the old license class.

What types of records must licensees keep?

All licensees must keep the following records for a period of at least three years (see OAR 137-025-0240 through 137-025-0250):

- 1) The date of each raffle.
- 2) The total handle (gross sales) for each raffle.
- 3) The total expenses for each raffle.

- 4) The total amount of cash prizes and the cost of noncash prizes which were awarded for each raffle.
- 5) The winning ticket stubs for each raffle.
- 6) Receipts from the seller/distributor for all non-cash prizes awarded with a retail value of more than \$500.
- 7) For each prize with a retail value of \$100 or more, a winners' record which contains the following:
 - a) Name of the licensee.
 - b) Date of the drawing.
 - c) Description of the prize.
 - d) Name and address of the winner.
 - e) Signature of the winner.

In addition, class A licensees must prepare and maintain a raffle log book for all raffles where the handle may exceed \$10,000. The log book shall contain:

- 1) The names of all ticket sellers.
- 2) The numbers of tickets received by each seller.
- 3) The number of purchased tickets returned to the licensee by each seller.
- 4) The amount of money from ticket sales returned to the licensee by each seller.

What reports are required?

All licensees must file with the Department an annual report that details the raffle activity for the prior license year. Annual reports are due no later than 60 days following the end of the license year. See OAR 137-025-0270.

What is the limit of the value of prizes in a raffle?

A raffle licensee may not award cash prizes at a single raffle event totaling more than \$2,500 (e.g., one cash prize of \$1,500 and one cash prize of \$1,000); may not offer a single non-cash prize with a retail value in excess of \$75,000; and the total retail value of all prizes offered or awarded at a single raffle event shall not exceed \$100,000. See OAR 137-025-0300.

What information must be disclosed to ticket purchasers?

The following information must be printed upon each raffle ticket or otherwise disclosed to each ticket purchaser at the time of ticket sale (see OAR 137-025-0310):

- 1) Date and time of the drawing.
- 2) Location of the drawing.
- 3) Name of the licensee.
- 4) Price of the ticket.
- 5) Description of the prizes to be awarded.
- 6) Retail value of each prize.
- 7) The total number of tickets which may be sold.

What is a raffle notice?

A raffle notice is a form that is submitted to the Department for all raffles in which the handle could exceed \$10,000. The notice contains specific information, including a sample ticket, pertaining to the raffle in question. The Department must approve the raffle notice and the accompanying ticket **before** a licensee may begin selling the tickets. Licensees should not print the tickets until the notice and sample ticket have been approved.

What are the limits on operational expenses?

The operating expenses of raffles are limited to no more than 18.0 percent (18%) of the annual handle. Operating expenses do NOT include prizes paid to players. License and report fees paid to the Department are NOT included as expenses in reports to the Department. Operating expenses are those expenses incurred in the operation of the raffle. The most common raffle expenses include printing, advertising, booth rental at fairs, and staff expenses. If paid employees are used to conduct a raffle, their hours and wages are limited (as in bingo). Supervisors are limited to 30 hours per week at 300 percent (300%) of Federal minimum wage. Non-supervisory employees are limited to 200 percent (200%) of the Federal minimum wage, but may work an unlimited number of hours. Remember that employers are responsible for all tax collection, payment, and reporting requirements in such situations.

Can independent contractors be used to conduct raffles?

No. Raffles must be conducted solely by the licensee through its members, volunteers, and employees. See ORS 167.118(1) and ORS 464.310(2). However, independent contractors may provide certain collateral services, such as printing the raffle tickets. These providers are not subject to the hour and compensation limits, but the cost of their services is an expense included in the 18.0 percent (18%) expense limit.

Can volunteers be given a bonus or incentive for selling raffle tickets?

Yes, provided that the bonus or incentive is minimal or incidental. A more substantial bonus could turn a volunteer into an independent contractor, which is not permissible. Licensees should seek approval from the Department for any incentive program for volunteer sellers prior to implementation.

Use of the word "Donation."

Raffle licensees sometimes use the word "Donation" to describe the price of a raffle ticket. The Department discourages this practice, as it could be misleading. A donation is a voluntary contribution, which may be tax deductible if made to a qualified charity. The IRS does not treat the purchase of raffle tickets as tax deductible, because the purchaser is receiving something of value in exchange for the purchase price.

Raffle Variations.

In a conventional raffle, the winners are selected by drawing the winning ticket stub(s) from a receptacle. A licensee may wish to use an unconventional format that employs a different selection process for determining the winners. A common example is a "duck" race. Duck races are specifically allowed under the current administrative rules. See OAR 137-025-0291. Other alternative formats may be used **only if they are approved by the Department prior to the sale of any raffle tickets.** See OAR 137-025-0290(8).

OREGON DEPARTMENT OF JUSTICE

Raffle Winners Record

Page ____ of ____ Pages

Date of Drawing:

Time of Drawing:

Raffle Licensee:

License #: **R**

IMPORTANT! Use this form when the retail value of prizes awarded are \$100 or greater

Prize Description:	Amount/Value: \$
Print Winner's Full Name	
Winner's Current Address:	City: State: Zip:
Signature of Winner Acknowledging Receipt of Prize:	

Prize Description:	Amount/Value: \$
Print Winner's Full Name	
Winner's Current Address:	City: State: Zip:
Signature of Winner Acknowledging Receipt of Prize:	

Prize Description:	Amount/Value: \$
Print Winner's Full Name	
Winner's Current Address:	City: State: Zip:
Signature of Winner Acknowledging Receipt of Prize:	

Prize Description:	Amount/Value: \$
Print Winner's Full Name	
Winner's Current Address:	City: State: Zip:
Signature of Winner Acknowledging Receipt of Prize:	

OREGON DEPARTMENT OF JUSTICE

Raffle Receipt Summary Record

Complete this record in non-erasable ink. This record must be maintained with your official raffle records for three (3) years. **DO NOT** send this form to DOJ.

Raffle License #
R-

Licensee:
Date of Raffle Drawing:
Location of Drawing (street address):

Ticket Sales Information

Total number of tickets printed:	Total number of tickets sold:	Single ticket sales price:	\$
Beginning ticket number:	Ending ticket number:	Multiple ticket sales:	For \$
Starting date for sales:	Ending date for sales:	Number of ticket sellers:	

Are ticket sellers paid? No Yes. If yes, attach statement indicating how and what sellers will receive.

Total Raffle Handle: \$

Responsible Officials List the names of the officials who will preside over the drawing of raffle tickets. If someone other than an official of the organization participates in the drawing or prize selection process, list his/her name as well.

	Name:	Title:	Date of Birth:
1	Home Address:	City:	State: Zip:
	Daytime Telephone:	Home Phone:	Other Telephone (Specify):
	2	Name:	Title:
Home Address:		City:	State: Zip:
Daytime Telephone:		Home Phone:	Other Telephone (Specify):
3	Name:	Title:	Date of Birth:
	Home Address:	City:	State: Zip:
	Daytime Telephone:	Home Phone:	Other Telephone (Specify):
4	Name:	Title:	Date of Birth:
	Home Address:	City:	State: Zip:
	Daytime Telephone:	Home Phone:	Other Telephone (Specify):

Prize Information Items marked with * need to be answered only where sales are intended to exceed \$1,000.

*Attach a copy of your completed raffle notice to this form. If you added any additional prizes since the raffle notice was filed, describe each prize and list its retail value on a separate sheet and attach.

Obtain and attach a receipt from the seller, distributor, or contributor, of each prize with a retail value of more than \$500.

Retain and attach the winning ticket stubs from the drawing, regardless of the value of the prize.

Did any prize winner donate the prize back to the licensee? No Yes If YES, attach statement indicating winner's name and prize disposition.

Unclaimed Prizes

List any unclaimed prize. All unclaimed prizes must be held for a period of one year from date of drawing. OAR 137-025-0290(5)

Prize Description:	Amount/Value: \$	Winning Ticket #:
Print Winner's Name (if known):		
Winner's Address (if known):	City:	State: Zip:
Did licensee attempt to contact winner? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, why not?: _____		

Prize Description:	Amount/Value: \$	Winning Ticket #:
Print Winner's Name (if known):		
Winner's Address (if known):	City:	State: Zip:
Did licensee attempt to contact winner? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, why not?: _____		

Prize Description:	Amount/Value: \$	Winning Ticket #:
Print Winner's Name (if known):		
Winner's Address (if known):	City:	State: Zip:
Did licensee attempt to contact winner? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, why not?: _____		

Prize Description:	Amount/Value: \$	Winning Ticket #:
Print Winner's Name (if known):		
Winner's Address (if known):	City:	State: Zip:
Did licensee attempt to contact winner? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, why not?: _____		

Prize Description:	Amount/Value: \$	Winning Ticket #:
Print Winner's Name (if known):		
Winner's Address (if known):	City:	State: Zip:
Did licensee attempt to contact winner? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, why not?: _____		

Certification

I certify the raffle described herein was conducted in compliance with the administrative rules governing the conduct of raffles, OAR 137-025-0200 *et seq.* I further certify that the information contained herein, including all attachments, is true and accurate.

Responsible
Official's Signature:

Title:

Date:

**OREGON DEPARTMENT OF JUSTICE
Raffle Individual Seller's Record**

Name of Seller:			
Licensee		License #: R-	
Date of Raffle Drawing:		Time:	
Location of Drawing (street address) :	City:	State:	Zip:

INSTRUCTIONS:	Complete and sign this reconciliation report and turn in all money, stubs and unsold tickets with this form to Licensee when all tickets are sold or by (date): _____
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1	Sales Price per Raffle Ticket:		\$
2	Number of Raffle Tickets Issued to Seller:		
3	Number of Raffle Tickets Returned Unsold:		
4	Number of Raffle Tickets Sold (#2 less #3):		
5	Total Amount Due (#4 times #1):		\$

Notes:

Seller's Signature:	Date: