

# Conduct of Raffles

State of Minnesota  
**Gambling Control Board**



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651-539-1900

[www.mn.gov/gcb](http://www.mn.gov/gcb)

# **GAMBLING – What is it?**

The three elements of gambling are:

## **Consideration**

Player required to give something of value to enter.

## **Chance**

Winner is determined by chance.

## **Prize**

Winner receives something of value.

# What is NOT Gambling

REMOVE one or more of the three elements...

## Consideration

Player required to give something of value to enter.

## Chance

Winner is determined by chance.

## Prize

Winner receives something of value.

# What is a Raffle?

- Participants buy a ticket or other certificate of participation.
- The prize determination is based on a method of random selection.
- All entries have an equal chance to win.
- Raffle rules are prominently posted.

**Typically ticket stubs are put into a container from which the winning stubs are drawn. Person holding the matching ticket wins. But which ticket comes out first?**

# Who May Conduct Raffles?

- Only registered nonprofit organizations located in Minnesota are eligible.
  - Chambers of Commerce
  - Veterans and Fraternal Clubs
  - Churches
  - Hockey Associations
  - Etc.
- Individuals may not conduct raffles or any other form of charitable gambling.
- Bar owners may not conduct raffles.

## Who May Conduct a Raffle (continued)

- Nonprofits with a lawful gambling license.
- Nonprofits that are not licensed.
  - **EXCLUSION** (no GCB permit required)
    - ✓ Prizes \$1,500 or less in calendar year.
    - ✓ 501(c)(3) one event per year if prizes do not exceed \$5,000.
  - **EXEMPTION**
    - ✓ Use form LG220 to apply for GCB permit (\$100 fee).
    - ✓ Limited to \$50,000 in annual prizes.

# Raffle Restrictions

- Determination (selection) of raffle prize winner must take place at a permitted premises.
- Tickets may be sold anywhere in Minnesota but tickets may not be sold on the Internet. (Advertising on the internet is okay.)

# Off-Site Permit – Licensed Organizations

- Licensed organization can get up to 12 off-site permits each calendar year.
- There is no fee for off-site permit.
- Use form LG230 available on website to apply.

[www.mn.gov/gcb](http://www.mn.gov/gcb)



## Who May Participate in a Raffle

- Must be 18 and older to purchase raffle ticket OR win prize. (Parents cannot buy for their kids under 18.)
- Lessor and gambling manager may NOT purchase raffle ticket.
- Lessor's immediate family and employees may purchase raffle ticket.
- Persons involved in the "selection" should NOT (House Rules).

# Large Raffle – Key Ingredients on Tickets

Raffle tickets must contain:

- Organization's name and license number.
- Date, time, and location of drawing.
- Sequential ticket number.
- Price. If multiple pricing levels (i.e. \$1 each or 6 for \$5):
  - separate set of tickets for each price level;
  - different color tickets for each set;
  - separate raffle log for each set.

# Large Raffles - Key Ingredients on Tickets

(continued)

- At a minimum, a list of the three most valuable prizes.
  - "Complete list available upon request"
- A statement that the winner is responsible for fees or taxes.
- Tickets must be the same size, shape, and thickness.
- Tickets may not state "suggested donation" or implied request for money, other than price.

# Large Raffle Requirements

- Must have an invoice for raffle tickets.
- Invoice must show quantity of tickets printed for each price level and list sequential numbers.
- May not combine raffle purchase with purchase of some other item.
  - Exception: Fishing and wild game contests.
  - Small nominal item (festival buttons)

# Raffle Ticket Exception

- If raffle is conducted by an EXCLUDED or EXEMPT organization,  
    AND
- if all tickets will be sold and all prizes will be awarded at the event,  
    THEN
- ticket and stub need only include matching consecutive numbers (theater tickets).

# Prizes Requiring Licensure or Registration

- Must use merchandise certificate.
  - Examples: Car, ATV, rifle, motorcycle, boat
- Must pay for certificate prior to drawing date.
- Winner is responsible for registration and licensure.
- Ticket must include statement regarding winner's responsibility for fees or taxes.

# Raffle Prizes (Licensed Organizations)

- Limit of \$50,000 per prize.
- No limit on total prizes awarded annually or per raffle.
- Alcohol may be offered as prizes, with restrictions.
- Organization must own prizes before drawing date.
  - Exception for raffles with gross receipts of \$60 or less. (Meat raffles)

# Raffle Ticket Sales

- No minimum age for sellers – just buyers.
  - Make sure underage sellers only sell to 18 or older.
- Cash, personal checks, or debit cards may be accepted for payment of raffle tickets.
  - If personal check returned due to insufficient funds, organization must reimburse gambling account for amount of check.
- Credit cards are not allowed.



# LG820 Raffle Log

Used to track the sale of tickets by each seller.

**Missing tickets = Missing money**

**LG820 Raffle Inventory and Sales Log**

<b>RAFFLE INFORMATION</b>	
Organization name: _____	License/premises permit number: _____
Name of raffle: _____	Person in charge of raffle: _____
Date of raffle: _____	Time: _____ a.m./p.m.
Location of raffle: _____	<b>Attach a copy of a complete raffle ticket or certificate of participation for each price level</b>

<b>TICKET OR CERTIFICATE INFORMATION</b>			
Supplier of tickets or certificates: _____	Invoice date: _____	Invoice number: _____	Total number printed: _____
Actual cost of tickets or certificates (not including sales tax and freight): \$ _____			

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Date	Seller's name and phone number	Quantity and sequential numbers to sell	Quantity and sequential numbers returned	Quantity sold	Price of each ticket or certificate	Total gross receipts Col. 5 x Col. 6	Actual dollar amount received	Cash long or <short> Col. 8 - Col. 7
<b>Totals from other pages for raffle</b>								
<b>TOTALS</b>								
Record on the LG100A						line 7A		line 22

# Raffle Date Change

Request Gambling Control Board Director's approval for:

- Weather postponement of event.
- Not enough tickets sold to cover prize costs.
- Circumstances beyond organization's control.

If approved:

- Must publicize to ticket purchasers.
- Document date change in monthly meeting minutes.

# Canceling a Raffle - Refunds

Raffle may be canceled with Gambling Control Board Director's approval. If approved:

- Return money to players.
- Keep documentation showing attempt to reach all players.
- Player may claim refund up to one year from date of canceled raffle.

# Other Types of Raffles

- Calendar Raffle
- Button Raffle
- Alternative raffles (Board-approved variations on method of determining winners)

# Conduct of Alternative Raffles

- Before conducting an alternative raffle, review conduct requirements on the Board's website.

[www.mn.gov/gcb](http://www.mn.gov/gcb)

- Please call your Gambling Control Board compliance specialist if you have any questions.

# Non-Gambling Activities

## Door Prize/Sweepstakes (CAUTION)

- No payment, purchase or donation required.

## Skill Event

- Payment, purchase, or donation may be required.
- Winner determined by skill – not chance (pool tournament, golf contest, car race).

## Auction (regular or silent)

- No element of chance.

# **All gambling is illegal unless specifically allowed by law.**

## **ALLOWED:**

- **Charitable gambling**
- **Lottery**
- **Horse racing/Card**
- **Tribal Casino**
- **Certain card games**
- **Private social/wagers**

## **NOT ALLOWED:**

- **Poker runs/Entry fee**
- **Vegas-style games**
- **Shake-A-Day for \$**
- **Skill with chance**
- **NASCAR Boards**

**MN Dept. Public Safety**

**Alcohol & Gambling Enforcement**

**651-201-7500, ext. 3**



# Questions?

## Minnesota Gambling Control Board



### Offices:

Roseville.....651-539-1900 (main office)  
Hibbing.....218-262-7301  
Fergus Falls.....218-739-7402  
Mankato.....507-345-1892

Website.....[www.mn.gov/gcb](http://www.mn.gov/gcb)