

## Parent Association Guide to Conducting Raffles

Chancellor’s Regulation A-660 permits Parent Associations (PAs)<sup>1</sup> to conduct raffles provided that PAs are in compliance with this regulation and conduct the raffles in accordance with the provisions of the New York State General Municipal Law, and applicable regulations of the New York State Racing and Wagering Board.

This guide serves to inform PAs of the requirements of New York General Municipal Law and the regulations of the New York State Racing and Wagering Board applicable to the conduct of raffles. Raffles are highly regulated activities. PAs must ensure strict adherence to the guidelines below, as the unauthorized conduct of a game of chance is considered a misdemeanor. NY Gen. Mun. Law § 189 (2009).

### I. DEFINITIONS

#### A. Raffle

New York State law defines raffles as “games of chance in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designated on the ticket or receipt, determined by chance as a result of a drawing from among those tickets or receipts previously sold.” NY Gen. Mun. Law § 186 (2009).

##### 1. Common Raffle Derivatives

The law applies equally to common raffle derivatives, such as 50/50, split-pot, and penny socials - silent auction-style events that include the purchase of multiple tickets and the opportunity for ticket buyers to choose which prize or prizes to deposit tickets for a chance at winning.

#### B. Net Proceeds

New York State law defines net proceeds to mean “(a) in relation to the gross receipts from one or more license periods of games of chance, the amount that shall remain after deducting the reasonable sums necessarily and actually expended for supplies and equipment, prizes, security-personnel, stated rental if any, bookkeeping or accounting services according to a schedule of compensation prescribed by the board, janitorial services and utility supplies if any, license fees, and the cost of bus transportation, if authorized by the clerk or department.” NY Gen. Mun. Law §186 (2009).

### II. LICENSING

New York State law and the Regulations of the Racing and Wagering Board require organizations to obtain an identification number and license before conducting a raffle. PAs that have been in existence for at least three years are considered “authorized organizations” and are eligible to apply for an identification number and license. **PAs that have not been in existence for at least three years are not eligible to conduct raffles.** NY Gen. Mun. Law §186 (2009).

#### A. Raffle Categories

The New York State Racing and Wagering Board defines three categories of raffles, each with their own requirements. The table below summarizes the parameters and requirements of each Raffle Category. Parent Associations must assess their Raffle Category based upon their expected net proceeds for each raffle and cumulative net proceeds from all raffles for the calendar year.

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<sup>1</sup> The term “PA” refers to both parent associations and parent-teacher associations.

	Raffle Category 1	Raffle Category 2	Raffle Category 3
<b>Net Proceeds – A PA must identify its Raffle Category by its anticipated net proceeds.</b>	<ul style="list-style-type: none"> <li>Cumulative net proceeds of raffles conducted during the calendar year will meet or exceed \$30,000</li> </ul>	<ul style="list-style-type: none"> <li>Net proceeds of a single raffle will meet or exceed \$5,000, or</li> <li>Cumulative net proceeds of raffles conducted during a calendar year will meet or exceed \$20,000, but not meet or exceed \$30,000</li> </ul>	<ul style="list-style-type: none"> <li>Net proceeds of a single raffle will be less than \$5,000, or</li> <li>Cumulative net proceeds of raffles conducted during a calendar year will be less than \$20,000</li> </ul>
<b>Games of Chance Identification Number</b>	<ul style="list-style-type: none"> <li>Must apply and obtain a Games of Chance Identification Number from the New York State Racing and Wagering Board by completing form <a href="#">1A</a>.</li> </ul>	<ul style="list-style-type: none"> <li>Must apply and obtain a Games of Chance Identification Number from the New York State Racing and Wagering Board by completing form <a href="#">1A</a>.</li> </ul>	<ul style="list-style-type: none"> <li>PAs in existence for at least 3 years that fall within the Raffle Category 3 net proceeds parameters are not required to obtain a Games of Chance Identification Number.</li> </ul>
<b>Games of Chance Licensing Requirements</b>	<ul style="list-style-type: none"> <li>Must file a Games of Chance License application with the New York City Department of Consumer Affairs (DCA) by completing forms <a href="#">GC-2</a>, <a href="#">GC-2A</a>, <a href="#">GC-2B</a><sup>2</sup> (See NY Gen. Mun. Law § 190).</li> <li>All forms must be filed at the DCA Licensing Center.</li> <li>A \$25.00 annual license fee is required. There may be additional fees based on net proceeds. (See Section II.B. below)</li> </ul>	<ul style="list-style-type: none"> <li>Must file a Verified Statement for Raffle Ticket Operations with the New York City Department of Consumer Affairs (DCA) by completing form <a href="#">GCVS-1</a> (See NY Gen. Mun. Law § 190).</li> <li>This form is considered a license to conduct raffles.</li> <li>All forms must be filed at the DCA Licensing Center (See Section IV below).</li> </ul>	<ul style="list-style-type: none"> <li>No license is required for PAs in existence for at least 3 years that meet the Raffle Category 3 net proceeds parameters. (See NY Gen. Mun. Law § 190-a).</li> <li>PAs in existence for less than 3 years may not conduct raffles.</li> </ul>
<b>Reporting Requirements</b>	<ul style="list-style-type: none"> <li>All net proceeds must be reported on the financial reports required by Chancellor’s Regulation A-660.</li> <li>Must file a Financial Statement for Games of Chance Operations, form <a href="#">GC-7</a>, with the New York State Racing and Wagering Board and DCA by the end of the calendar year.</li> </ul>	<ul style="list-style-type: none"> <li>All net proceeds must be reported on the financial reports required by Chancellor’s Regulation A-660.</li> <li>Must file a Verified Statement of Raffle Operations with net profits less than \$30,000, form <a href="#">GCVS-2</a>, with the New York State Racing and Wagering Board by the end of the calendar year.</li> </ul>	<ul style="list-style-type: none"> <li>All net proceeds must be reported on the financial reports required by Chancellor’s Regulation A-660.</li> <li>No additional reporting required</li> </ul>

<sup>2</sup> New York State Racing and Wagering Board Forms are available at <http://www.racing.state.ny.us/charitable/forms.char.gaming.htm>.

<p><b>Deposit of Proceeds</b></p>	<ul style="list-style-type: none"> <li>• Must maintain a regular checking account, designated as the “special games of chance account.” 9 NYCRR §5624.8 (2009).</li> <li>• In accordance with CR A-660, this regular checking account must be linked to the PA’s primary checking account. The PA’s primary checking account must be used for all transactions, including deposits and withdrawals.</li> </ul>	<ul style="list-style-type: none"> <li>• All proceeds must be deposited into the PA bank account in accordance with CR A-660</li> </ul>	<ul style="list-style-type: none"> <li>• All proceeds must be deposited into the PA bank account in accordance with CR A-660</li> </ul>
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1. License Denials

No license application will be denied to an authorized organization until after a hearing. NY Gen. Mun. Law § 192 (2009).

2. License Display

PAs falling under Raffle Category 1 or Raffle Category 2 must ensure that the license is prominently displayed at the time each raffle is conducted. 9 NYCRR §5603.131 (2009).

3. Chance in Raffle Category

If during the course of a calendar year, a PA’s net proceeds from raffles place them in a different Raffle Category than originally expected, the PA must adhere to the requirements of the new Raffle Category (i.e., if a PA believes they will fall under Raffle Category 2, but during the course of a calendar year the net proceeds for a single raffle exceeded \$5,000, the PA must apply for and obtain a Games of Chance Identification Number from the Board and follow the licensing and filing requirements of Raffle Category 2.) NY Gen. Mun. Law § 195-f (2009).

B. Additional License Fees

PAs with net raffle proceeds of over \$30,000 in a calendar year are responsible for remitting an additional license fee to the Department of Consumer Affairs (DCA), assessed at 2% of the net proceeds of \$30,000 or more. NY Gen. Mun. Law §195-f (2009).

<b>Example:</b>	
PA’s net raffle proceeds	\$35,000
Net proceeds over \$30,000	\$5,000
2% of the net proceeds over \$30,000 (2% of \$5000)	\$100
The additional license fee for a PA with net raffle proceeds of \$35,000 for a calendar year would be \$100.	

**III. CONDUCTING RAFFLES**

A. Equipment

The equipment used to conduct all raffles must ensure that all tickets have an equal opportunity to be drawn as a winner. 9 NYCRR § 5620.22 (2009).

B. Participation

1. Minors

No person under 18 years of age may be permitted to play or assist in the conduct of a raffle. NY Gen. Mun. Law § 195-a (2009).

2. Commissions

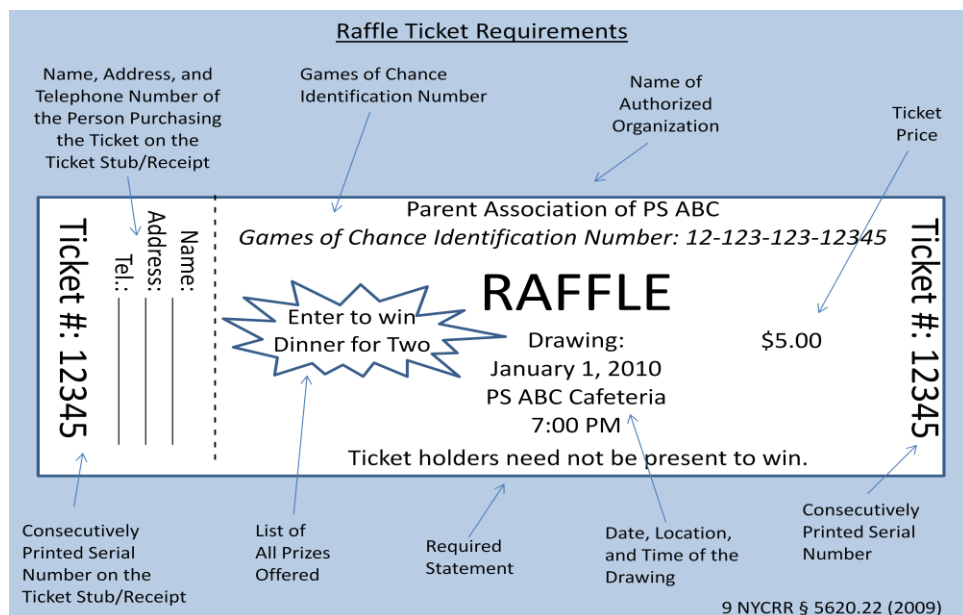
No commission or compensation shall be paid or given to any person assisting with the sale of raffles. 9 NYCRR §5620.22 (2009).

C. Tickets

All raffle tickets, except for those used in 50/50 raffles, must include the following information:

- (1) The name of the hosting PA and the association's Games of Chance Identification Number (This provision only applies if the raffle being conducted falls within Raffle Category 1 or Raffle Category 2.)
- (2) The date, location, and time of the raffle drawing
- (3) The consecutively printed serial number of the ticket
- (4) The price of the ticket
- (5) A list of all prizes offered
- (6) The statement: "Ticket holders need not be present to win"
- (7) The ticket stub or receipt must include the consecutively printed serial number and must include a place for the person purchasing the ticket to write in her/his name, address, and telephone number. 9 NYCRR § 5620.22 (2009).

Raffle Ticket Example



Please note that the Games of Chance Identification Number need only be displayed on raffle tickets for events that fall within Raffle Category 1 or Raffle Category 2.

1. 50/50 Raffle Ticket Requirements

50/50 raffles, which are defined as “admission-style” tickets, must have a serial number. All 50/50 raffles must be sold at a uniform price per ticket, unless the discount offered is based on the selling price per book and the discount price per book of tickets is printed on each ticket. 9 NYCRR §5620.22 (2009).

2. Ticket Sale Restrictions

- a) Timing of Ticket Sales – Raffle tickets may not be sold more than 180 days before the date of the raffle drawing.
- b) Ticket Sale Locations – PA raffle tickets may be sold in New York City. If a PA wants to sell tickets in another municipality, the PA must receive a Raffle Consent form, form [GC-RCE](#), from each local municipality clerk. 9 NYCRR §5620.22 (2009).
- c) Other Ticket Sales – No other type of ticket may be sold in conjunction with any raffle. 9 NYCRR §5620.22 (2009).

D. Advertising

All advertisements must be limited to the description of the event as “Games of Chance” or the name of the PA conducting such games, and must include the license number of the PA, and location and time of the event. NY Gen. Mun. Law §195-e (2009).

E. Ticket Drawing

1. Ticket Drawing Location

New York State law requires that all raffle drawings be conducted on the premises of the authorized organization. Drawings may be conducted on premises owned by the City of New York, provided that the organization first receives permission from the agency in control of the premises. NY Gen. Mun. Law §189 (2009). PAs should hold all raffle drawings on school premises. PAs may not hold raffle drawings in other locations, unless the location is owned by the City of New York and the PA has received written permission to conduct raffle drawings on the premises.

2. Method for Ticket Drawing

The method for the drawing must be announced prior to drawing a ticket and the ticket must be drawn in plain view of the ticket purchasers. The winner need not be present at the drawing to collect the prize. 9 NYCRR §5620.22 (2009).

F. Raffle Prizes

The value of the merchandise to be awarded as prizes are the fair market value of the merchandise at the time that an application to conduct a raffle was submitted. The aggregate fair market value of all prizes to be offered in any one calendar year may not exceed \$100, 000, and no single prize may exceed \$50,000 unless approved in the license application filed with the New York State Racing and Wagering Board. Alcoholic beverages shall not be awarded as prizes. The winner need not be present to collect the prize. 9 NYCRR §5620.22 (2009).

G. Raffle Proceeds

The entire net proceeds of the raffle must be exclusively devoted to the lawful purposes of the organization. NY Gen. Mun. Law §189. Lawful purposes include causes, deeds, or activities that promote educational advancement. NY Gen. Mun. Law §§ 185, 189 (2009).

H. Raffle Records

The New York State Racing and Wagering Board has the power to examine the books and records of any authorized organization as they relate to the net proceeds from raffles. NY Gen. Mun. Law §§ 195-g (2009).

Books and records must be maintained in the school and kept up-to-date for a period of not less than four years. 9 NYCRR §5624.14 (2009).

**IV. Resources**

Questions regarding these guidelines should be directed to The New York State Racing and Wagering Board:

**New York State Racing & Wagering Board**  
**1 Broadway Center, Suite 600**  
**Schenectady, New York 12305-2553**  
**(518) 395-5400**  
[info@racing.state.ny.us](mailto:info@racing.state.ny.us)

The New York City Department of Consumer Affairs Licensing Center is located at:

**42 Broadway, 5th Floor**  
**New York, NY 10004**  
**(212) 487-4054**  
[www.nyc.gov/consumer](http://www.nyc.gov/consumer)