



RAFFLES IN TEXAS: KNOW THE LAW

We have become aware of a proliferation of illegal raffle activity in Texas. It is important for Texans to be familiar with the law before conducting or participating in a raffle. Examples of unlawful raffles include any raffle that is:

- conducted by an individual
- conducted by a for-profit business
- conducted by a charity that has no members or otherwise does not qualify

Texas law allows only certain charitable and non-profit membership organizations to conduct raffles to support their charitable causes. Only the following entities which meet certain qualifications are permitted to hold raffles:

- religious societies
- volunteer emergency medical service providers
- volunteer fire departments
- qualified non-profit organizations

In order to conduct a raffle legally, a non-profit organization must have, among other criteria, members who elect a governing body and an exemption from federal taxes under Section 501(c) of the Internal Revenue Code. A qualified non-profit must also have been in existence for three years. The law permits only two raffles per year, requires several disclosures printed on tickets, and limits the value of prizes purchased by the organization to \$50,000. It is also against the law to hold a raffle in which cash, or anything readily convertible to cash, is offered as a prize, or which is promoted statewide or through paid advertising, including television, radio or newspapers. An unlawful raffle could be considered illegal gambling, which may carry criminal penalties. A county attorney, district attorney or the attorney general may also shut down an illegal raffle.

The Office of the Attorney General is prohibited by law from providing legal advice to individuals. If you contemplate conducting a raffle for fundraising purposes, you should read the Charitable Raffle Enabling Act (which went into effect January 1, 1990) carefully and consult a private attorney with any questions. You should also avoid participating in an illegal raffle. For more information, you can visit our Web site and read our online consumer protection brochure on charitable raffles.

Greg Abbott, Attorney General

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