

# Charitable Raffles: Know the Law



By Greg Abbott  
Attorney General of Texas

My office receives numerous calls from Texans across the state who are hoping to raise money for a good cause. Many Texans decide they want to do a raffle.

But is it legal to raise funds with a raffle?

It depends. The Charitable Raffle Enabling Act which has been in effect since September 1, 1999, establishes the guidelines for conducting a legal raffle in the State of Texas. The Act was established to provide certain charitable and non-profit membership organizations a means to generate income to support their causes.

The Act defines the types of organizations that can hold raffles. In general a qualified organization is defined as:

- An association organized primarily for religious purposes that has been in existence in Texas for at least ten years.
- A voluntary emergency medical service that does not pay its members other than nominal compensation.
- A volunteer fire department that operates fire fighting equipment and does not pay its members other than nominal compensation.

Other organizations may qualify. You can hold a raffle if your non-profit organization:

- is at least three years old;
- elects its governing body;
- has a 501(c) tax exemption;
- has members;
- does not distribute income to its members; and
- does not participate in any political campaign.

These are the **ONLY** organizations allowed to hold raffles in Texas. Any other type of organization, business or individual conducting a raffle in Texas would be doing so illegally.

The law also regulates what types of prizes may be offered. Qualified organizations may offer any prize except money. There is no value limit on prizes donated to the organization. However, if raffle organizers offer a prize they have bought or given other consideration for, the value of the prize may not exceed \$50,000.

There are a few other restrictions. For example, a qualified organization may only hold two raffles per year. Raffle tickets may not be advertised state wide or through paid advertisements. Each ticket must provide the name and address of the organization holding the raffle or the address of an officer of the organization. Tickets may only be sold by members of the organization. Additionally, the ticket must include

the price of the ticket and a general description of each prize that has a value of more than \$10.

A raffle that violates the Charitable Raffle Enabling Act is considered illegal gambling under the Texas Penal Code. Conducting an illegal raffle is a Class A misdemeanor and participation is a Class C misdemeanor.

My office would not be permitted to advise you about whether your particular organization, or any particular proposed raffle, would be legal. We can only provide these general guidelines. If you have doubts about the legality of a raffle, consult a private attorney.

For information on conducting a legal raffle in Texas, read Chapter 2002, Charitable Raffles, Occupations Code, Texas Codes Annotated. We also offer an online brochure on charitable raffles that can be found on our Web site at [www.oag.state.tx.us](http://www.oag.state.tx.us).

## POINTS TO REMEMBER

### CHARITABLE RAFFLES

Registration and Taxation requirements for nonprofit organizations in Texas:

Secretary of State  
Post Office Box 12697  
Austin, TX 78711  
(800) 648-9642  
[www.sos.state.tx.us](http://www.sos.state.tx.us)

Comptroller of Public Accounts  
Post Office Box 13528  
Austin, TX 78711  
(800) 463-4600  
[www.cpa.state.tx.us](http://www.cpa.state.tx.us)

For a copy of the Charitable Raffle Enabling Act:  
Texas Legislature Online  
[www.capitol.state.tx.us](http://www.capitol.state.tx.us)  
State Law Library  
(512) 463-1722

Online brochure:  
Charitable Raffles  
[www.oag.state.tx.us](http://www.oag.state.tx.us)  
or call for a free copy:  
800 252-8011



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Information on this and other topics is available on the Attorney General's Web site at [www.oag.state.tx.us](http://www.oag.state.tx.us).