



# Raffle Rules for the Road

TEXAS EDITION

Did you know Texas has very specific rules on who can hold a raffle, how many you can host each year, and even why type of prizes can be awarded? Check out these rules for the road to avoid common potholes.

Based on 2022 Guidelines

## Who can hold a raffle?

A nonprofit organization that

- has existed at least 3 preceding years;
- is an IRS-classified 501(c) organization;
- doesn't distribute any of its income to members, officers or governing body;
- doesn't substantially lobby to influence legislation; &
- doesn't participate in any political campaign.

A nonprofit volunteer fire department that doesn't pay its members other than nominal compensation.

A nonprofit volunteer emergency medical service that doesn't pay its members other than nominal compensation.

A nonprofit association organized primarily for religious purposes that has been in existence in Texas for at least 10 years.

**Individuals and for-profit businesses are not permitted to hold raffles in Texas.**

## State Registration

A qualified organization is not required to register with the State before conducting a raffle. However, certain restrictions apply.

## Raffle tickets must include...

- The name of the organization conducting the raffle
- The address of the organization or that of a named officer of the organization
- The ticket price
- A general description of each prize(s) valued at more than \$10
- The date on which raffle prize(s) will be awarded

## Where can I find out more?

The Texas Attorney General enforces the rule. Read about them here:

<https://www.texasattorneygeneral.gov/divisions/charitable-trusts/charitable-raffles-and-casinopoker-nights>

**What's a raffle?**



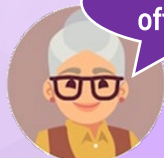
A raffle is defined as the award of one or more prizes by chance at a single occasion among a single pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.

**Can we buy the prize with our raffle proceeds?**

**NO!** The organization must have the prize in its possession or ownership or it must post a bond with the county clerk of the county in which the raffle is to be held for the full amount of the money value of the prize.



**Can we raffle off money?**



**NO!** Cash prizes are strictly prohibited. But you **CAN** raffle off a US Savings bond or gift card.

**Can we hold a raffle monthly?**

**SORRY!** Each qualified organization is only allowed four raffles per calendar year.



**Can we raffle off a \$90,000 car we bought?**



**TOO MUCH!** For purchased prizes, the value of each prize may not exceed \$75,000. For a purchased residential dwelling, the value may not exceed \$250,000. **There is no limit on the value of donated prizes.**

**We'll buy Facebook ads to promote our raffle!**

**PUMP THE BRAKES!** While you **CAN** advertise it on your website, social media & newsletters, you **CAN'T** promote it statewide beyond your previously identified supporters.



**Sounds hard! Let's hire it out!**



**WHOA!** Organizations can't compensate a person directly or indirectly for specifically organizing or conducting a raffle.

