

RAFFLE REQUIREMENTS

CURRENT 23-5-413 Raffle prizes -- investigations -- rulemaking.

- (1) (a) The department shall investigate all violations of this part.
- (b) The department may adopt rules to require recordkeeping for receipts and payouts under this part and to establish procedures to ensure the fair selection of winners.
- (2) (a) A person or organization conducting a raffle shall own all prizes to be awarded as part of the raffle before the sale of any tickets.
- (b) The value of a prize awarded for an individual ticket for a raffle conducted by a person or an organization may not exceed \$ 5,000. Prizes may not be combined in any manner to increase the ultimate value of the prize awarded for each ticket.
- (c) The provisions of subsections (2)(a) and (2)(b) do not apply to a nonprofit organization, a college, a university, a public school district as provided in [20-6-101](#) and [20-6-701](#), or a nonpublic school as described in [20-5-102\(2\)\(e\)](#). The proceeds from the sale of tickets for a raffle conducted by a nonprofit organization, college, university, or school district may be used only for charitable purposes or to pay for prizes and may not be used for the administrative costs of conducting the raffle.
- (3) (a) The sale of raffle tickets authorized by this part is restricted to events and participants within the geographic confines of the state.
- (b) The sale of raffle tickets may not be conducted over the internet. All raffle announcements or advertisements conducted over the internet must include this sale restriction, the name of the organization offering the raffle, and all raffle terms.

23.16.2602 RAFFLE GENERAL REQUIREMENTS, AUTHORIZED RANDOM SELECTION PROCESSES, AND RECORD KEEPING REQUIREMENTS

- (1) The following random selection processes are authorized for use in determining a winner of a raffle as defined in [23-5-112](#), [MCA](#):
 - (a) a drawing from a drum or other receptacle containing raffle ticket stubs or other suitable indicators of the ticket purchaser's identity that have been thoroughly mixed before the drawing; and
 - (b) selection by any other process if:
 - (i) the process is reasonably assured of being random and is not connected to an event that has its own intrinsic significance (e.g. a sports event, game of chance, contest); and
 - (ii) the indicator of the raffle ticket purchaser's identity reasonably assures the random selection of a winner.
- (2) Any raffle conducted by a nonprofit organization, college, university, public school district as provided in [20-6-101](#) and [20-6-701](#), [MCA](#), or nonpublic school as described in [20-5-102\(2\)\(e\)](#), [MCA](#), must be publicly identified as a charitable raffle.
- (3) For each raffle conducted, the entity conducting the raffle shall maintain for a period of 12 months from the date of the raffle drawing, and provide to the department upon request:
 - (a) a record of the total proceeds collected;
 - (b) a detailed description of the prize(s) awarded;
 - (c) a description of the selection process used to determine the winner(s);
 - (d) a record reflecting the source of the prize(s), including any money paid to purchase prizes;
 - (e) a record of any administrative costs paid with raffle proceeds;
 - (f) a description of how the raffle was publically identified as a charitable raffle, where applicable;
 - (g) the name and address of the person(s) awarded raffle prize(s); and
 - (h) a detailed record of the distribution of the charitable raffle proceeds, where applicable.
- (4) All raffle terms, including the date of the raffle drawing, must be available to the public prior to the sale of any raffle tickets.