

---

---

## **OLR Bill Analysis**

**HB 5184 (as amended by House "A")\***

### ***AN ACT PERMITTING COUPON BOOKS' USE AS AN INCENTIVE FOR PURCHASING RAFFLE TICKETS.***

#### **SUMMARY:**

This bill allows a qualified organization conducting a raffle under the required town permit to promote the raffle by offering coupons to ticket buyers. The bill defines "coupon" as a ticket, form, or document redeemable for merchandise, tangible personal property, services, or transportation on a common carrier or for discounts on any of these.

The bill also allows organizations to mail raffle tickets to residents of a town that has adopted the Bazaar and Raffle Act, provided the phrase "no purchase necessary to enter the raffle" is printed on the tickets (see BACKGROUND).

\*House Amendment "A" defines coupon and allows the mailing of raffle tickets.

EFFECTIVE DATE: October 1, 2011

#### **BACKGROUND**

##### ***Organizations Qualified to Conduct Raffles***

The law allows the following to conduct, operate, or sponsor bazaars or raffles if the town where they are located has adopted the Bazaar and Raffle Act: veterans,' religious, civic, fraternal, educational, and charitable organizations; volunteer fire companies; and political parties and their town committees. Raffles may also be promoted and conducted if sponsored by towns acting through a designated centennial, bicentennial, or other centennial celebration committee. To conduct a bazaar or raffle, an organization must have a permit from the town where the raffle or bazaar will take place.

Only the organization's qualified members age 18 or older may

promote, operate, or work at bazaars and raffles. And people under age 16 may not sell or promote raffle tickets.

***Mailing Gambling Material***

According to a United States Postal Service ruling, raffles that incorporate “prize,” “chance,” and “consideration” are considered lotteries under federal law and the postal standards. Tickets for such raffles are considered unlawful matter and mailing is a violation. But when any of the three elements is eliminated, the arrangement does not constitute a lottery for postal purposes. According to the ruling, consideration “is eliminated if persons may enter without payment of a fee. Thus, a nonprofit organization that designs a raffle where it is clear that a donation is not required (e.g., via a check box, “Please enter my name in the drawing. I do not wish to make a donation at this time”) to participate in the raffle may use the mail to distribute the tickets for that raffle” (PS 307 601.13.3).

***Related Bills***

SB 417 (File 43), reported favorably by the Public Safety and Security Committee, eliminates the \$250 prize limit on teacup raffles, thereby allowing prizes of unlimited value.

SB 35 (File 56), reported favorably by the Public Safety and Security and Finance, Revenue and Bonding committees, eliminates the advertising restrictions on bazaars and raffles, thereby allowing qualified organizations conducting such gaming to advertise on radio, television, billboards, and elsewhere.

**COMMITTEE ACTION**

Public Safety and Security Committee

Joint Favorable  
Yea 23 Nay 0 (03/15/2011)

Planning and Development Committee

Joint Favorable  
Yea 19 Nay 0 (04/11/2011)

