
SENATE BILL 5443

State of Washington

69th Legislature

2025 Regular Session

By Senators Cortes, Nobles, and Shewmake

Read first time 01/23/25. Referred to Committee on Business,
Financial Services & Trade.

1 AN ACT Relating to requirements for fund-raising events of bona
2 fide charitable or nonprofit organizations; amending RCW 9.46.0277,
3 9.46.0315, 9.46.0321, 9.46.0323, and 9.46.356.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 9.46.0277 and 2009 c 133 s 1 are each amended to
6 read as follows:

7 "Raffle," as used in this chapter, means a game in which tickets
8 bearing an individual number are sold for not more than (~~one hundred~~
9 ~~dollars~~) \$250 each and in which a prize or prizes are awarded on the
10 basis of a drawing from the tickets by the person or persons
11 conducting the game, when the game is conducted by a bona fide
12 charitable or nonprofit organization (~~(no person other than a bona~~
13 ~~fide member of the organization takes any part in the management or~~
14 ~~operation of the game,~~) and no part of the proceeds thereof inure to
15 the benefit of any person other than the organization conducting the
16 game.

17 **Sec. 2.** RCW 9.46.0315 and 2012 c 131 s 1 are each amended to
18 read as follows:

19 Bona fide charitable or bona fide nonprofit organizations
20 organized primarily for purposes other than the conduct of raffles (~~(~~

1 ~~are hereby authorized to~~) may conduct raffles without obtaining a
2 license to do so from the commission when such raffles are held in
3 accordance with all other requirements of this chapter, other
4 applicable laws, and rules of the commission; and when gross revenues
5 from all such raffles held by the organization during the calendar
6 year do not exceed (~~five thousand dollars~~) \$20,000; and when
7 tickets to such raffles are sold only to, and winners are determined
8 only from among, the regular members of the organization conducting
9 the raffle. The organization may provide unopened containers of
10 beverages containing alcohol as raffle prizes if the appropriate
11 permit has been obtained from the liquor (~~control~~) and cannabis
12 board(~~(: PROVIDED, That)~~). However, raffles that exceed (~~five~~
13 ~~thousand dollars~~) \$20,000 may also be conducted (~~pursuant to the~~
14 ~~provisions of~~) under this section if the organization obtains a
15 license from the commission: PROVIDED FURTHER, That the term members
16 for this purpose shall mean only those persons who have become
17 members prior to the commencement of the raffle and whose
18 qualification for membership was not dependent upon, or in any way
19 related to, the purchase of a ticket, or tickets, for such raffles.

20 **Sec. 3.** RCW 9.46.0321 and 1987 c 4 s 28 are each amended to read
21 as follows:

22 Bona fide charitable or bona fide nonprofit organizations
23 organized primarily for purposes other than the conduct of such
24 activities (~~are hereby authorized to~~) may conduct bingo, raffles,
25 and amusement games, without obtaining a license to do so from the
26 commission but only when:

27 (1) Such activities are held in accordance with all other
28 requirements of this chapter, other applicable laws, and rules of the
29 commission;

30 (2) Said activities are(~~(, alone or in any combination,)~~)
31 conducted no more than (~~twice~~) four times each calendar year and
32 over a period of no more than (~~twelve~~) 12 consecutive days each
33 time, notwithstanding the limitations of RCW 9.46.0205(~~(: PROVIDED,~~
34 ~~That)~~). However, a raffle conducted under this subsection may be
35 conducted for a period longer than (~~twelve~~) 12 days;

36 (3) Only bona fide members of that organization, who are not paid
37 for such services, participate in the management or operation of the
38 activities;

1 (4) Gross revenues to the organization from (~~all the activities~~
2 ~~together~~) raffles do not exceed (~~five thousand dollars~~) \$20,000
3 during any calendar year;

4 (5) Gross revenues to the organization from bingo and amusement
5 games do not exceed \$10,000 during any calendar year;

6 (6) All revenue therefrom, after deducting the cost of prizes and
7 other expenses of the activity, is devoted solely to the purposes for
8 which the organization qualifies as a bona fide charitable or
9 nonprofit organization;

10 (~~(6) The organization gives notice at least five days in advance~~
11 ~~of the conduct of any of the activities to the local police agency of~~
12 ~~the jurisdiction within which the activities are to be conducted of~~
13 ~~the organization's intent to conduct the activities, the location of~~
14 ~~the activities, and the date or dates they will be conducted;~~) and

15 (7) The organization conducting the activities maintains records
16 for a period of one year from the date of the event which accurately
17 show at a minimum the gross revenue from each activity, details of
18 the expenses of conducting the activities, and details of the uses to
19 which the gross revenue therefrom is put.

20 **Sec. 4.** RCW 9.46.0323 and 2021 c 81 s 1 are each amended to read
21 as follows:

22 (1) A bona fide charitable or nonprofit organization, as defined
23 in RCW 9.46.0209, (~~whose primary purpose is serving individuals with~~
24 ~~intellectual disabilities~~) may conduct enhanced raffles if licensed
25 by the commission.

26 (2) The commission has the authority to approve (~~two~~) three
27 enhanced raffles per calendar year for western Washington and (~~two~~)
28 three enhanced raffles per calendar year for eastern Washington.
29 Whether the enhanced raffle occurs in western Washington or eastern
30 Washington will be determined by the location where the grand prize
31 winning ticket is to be drawn as stated on the organization's
32 application to the commission. An enhanced raffle is considered
33 approved when voted on by the commission.

34 (3) The commission has the authority to approve enhanced raffles
35 under the following conditions:

36 (a) The value of the grand prize must not exceed \$10,000,000.

37 (b) Sales may be made in person, by mail, by fax, or by telephone
38 only. Raffle ticket order forms may be printed from the bona fide

1 charitable or nonprofit organization's website. Obtaining the form in
2 this manner does not constitute a sale.

3 (c) Tickets purchased as part of a multiple ticket package may be
4 purchased at a discount.

5 (d) Multiple smaller prizes are authorized during the course of
6 an enhanced raffle for a grand prize including, but not limited to,
7 early bird, refer a friend, and multiple ticket drawings.

8 (e) A purchase contract is not necessary for smaller noncash
9 prizes, but the bona fide charitable or nonprofit organization must
10 be able to demonstrate that such a prize is available and sufficient
11 funds are held in reserve in the event that the winner chooses a
12 noncash prize.

13 (f) All enhanced raffles and associated smaller raffles must be
14 independently audited, as defined by the commission during rule
15 making. The audit results must be reported to the commission.

16 (g) Call centers, when licensed by the commission, are
17 authorized. The bona fide charitable or nonprofit organization may
18 contract with a call center vendor to receive enhanced raffle ticket
19 sales. The vendor may not solicit sales. The vendor may be located
20 outside the state, but the bona fide charitable or nonprofit
21 organization must have a contractual relationship with the vendor
22 stating that the vendor must comply with all applicable Washington
23 state laws and rules.

24 (h) The bona fide charitable or nonprofit organization must be
25 the primary recipient of the funds raised.

26 (i) Sales data may be transmitted electronically from the vendor
27 to the bona fide charitable or nonprofit organization. Credit cards,
28 issued by a state regulated or federally regulated financial
29 institution, may be used for payment to participate in enhanced
30 raffles.

31 (j) Receipts including ticket confirmation numbers may be sent to
32 ticket purchasers either by mail or by email.

33 (k) In the event the bona fide charitable or nonprofit
34 organization determines ticket sales are insufficient to qualify for
35 a complete enhanced raffle to move forward, the enhanced raffle
36 winner must receive (~~fifty~~) 50 percent of the net proceeds in
37 excess of expenses as the grand prize. The enhanced raffle winner
38 will receive a choice between an annuity value equal to (~~fifty~~) 50
39 percent of the net proceeds in excess of expenses paid by annuity

1 over (~~twenty~~) 20 years, or a one-time cash payment of (~~seventy~~)
2 70 percent of the annuity value.

3 (1) A bona fide charitable or nonprofit organization is
4 authorized to hire a consultant licensed by the commission to run an
5 enhanced raffle; in addition, the bona fide charitable or nonprofit
6 organization must have a dedicated employee who is responsible for
7 oversight of enhanced raffle operations. The bona fide charitable or
8 nonprofit organization is ultimately responsible for ensuring that an
9 enhanced raffle is conducted in accordance with all applicable state
10 laws and rules.

11 (4) The commission has the authority to set fees for bona fide
12 charitable or nonprofit organizations, call center vendors, and
13 consultants conducting enhanced raffles authorized under this
14 section.

15 (5) The commission has the authority to adopt rules governing the
16 licensing and operation of enhanced raffles.

17 (6) Except as specifically authorized in this section, enhanced
18 raffles must be held in accordance with all other requirements of
19 this chapter, other applicable laws, and rules of the commission.

20 (7) For the purposes of this section:

21 (a) "Enhanced raffle" means a game in which tickets bearing an
22 individual number are sold for not more than (~~two hundred fifty~~
23 ~~dollars~~) \$500 each and in which a grand prize and smaller prizes are
24 awarded on the basis of drawings from the tickets by the person or
25 persons conducting the game. An enhanced raffle may include
26 additional related entries and drawings, such as early bird, refer a
27 friend, and multiple ticket drawings when the bona fide charitable or
28 nonprofit organization establishes the eligibility standards for such
29 entries and drawings before any enhanced raffle tickets are sold. No
30 drawing may occur by using a random number generator or similar
31 means.

32 (b) "Early bird drawing" means a separate drawing for a separate
33 prize held prior to the grand prize drawing. All tickets entered into
34 the early bird drawing, including all early bird winning tickets, are
35 entered into subsequent early bird drawings, and also entered into
36 the drawing for the grand prize.

37 (c) "Refer a friend drawing" means a completely separate drawing,
38 using tickets distinct from those for the enhanced raffle, for a
39 separate prize held at the conclusion of the enhanced raffle for all
40 enhanced raffle ticket purchasers, known as the referring friend, who

1 refer other persons to the enhanced raffle when the other person
2 ultimately purchases an enhanced raffle ticket. The referring friend
3 will receive one ticket for each friend referred specifically for the
4 refer a friend drawing. In addition, each friend referred could also
5 become a referring friend and receive his or her own additional
6 ticket for the refer a friend drawing.

7 (d) "Multiple ticket drawing" means a completely separate
8 drawing, using tickets distinct from those for the enhanced raffle,
9 for a separate prize held at the conclusion of the enhanced raffle
10 for all enhanced raffle ticket purchasers who purchase a specified
11 number of enhanced raffle tickets. For example, a multiple ticket
12 drawing could include persons who purchase three or more enhanced
13 raffle tickets in the same order, using the same payment information,
14 with tickets in the same person's name. For each eligible enhanced
15 raffle ticket purchased, the purchaser also receives a ticket for the
16 multiple ticket drawing prize.

17 (e) "Western Washington" includes those counties west of the
18 Cascade mountains, including Clallam, Clark, Cowlitz, Grays Harbor,
19 Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San
20 Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom.

21 (f) "Eastern Washington" includes those counties east of the
22 Cascade mountains that are not listed in (e) of this subsection.

23 (8) The commission's reporting obligations under RCW 9.46.090
24 must address enhanced raffles. The report must include results of the
25 raffles, revenue generated by the raffles, and identify any state or
26 federal regulatory actions taken in relation to enhanced raffles in
27 Washington. The report must also make recommendations, if any, for
28 policy changes to the enhanced raffle authority.

29 **Sec. 5.** RCW 9.46.0356 and 2011 c 303 s 2 are each amended to
30 read as follows:

31 (1) The legislature authorizes:

32 (a) A business or bona fide charitable or nonprofit organization
33 to conduct a promotional contest of chance as defined in this
34 section, in this state, or partially in this state, whereby the
35 elements of prize and chance are present but in which the element of
36 consideration is not present;

37 (b) A financial institution, as defined in RCW ~~((30.22.040))~~
38 30A.22.040, to conduct a promotional contest of chance under this
39 section in which: (i) A drawing for an annual prize is held that

1 includes as eligible prize recipients only those persons who
2 deposited funds at the financial institution in a savings account,
3 certificate of deposit, or any other savings program and retained
4 those funds for at least twelve months in the savings account,
5 certificate of deposit, or other savings program; and (ii) drawings
6 for other prizes are held from time to time that include as eligible
7 prize recipients only those persons who deposited funds at the
8 financial institution in a savings account, certificate of deposit,
9 or other savings program. No such contest may be conducted, either
10 wholly or partially, by means of the internet.

11 (2) Promotional contests of chance under this section are not
12 gambling as defined in RCW 9.46.0237.

13 (3) Promotional contests of chance shall be conducted as
14 advertising and promotional undertakings solely for the purpose of
15 advertising or promoting the services, goods, wares, and merchandise
16 of a business or mission of the bona fide charitable or nonprofit
17 organization.

18 (a) Bona fide charitable or nonprofit organizations may solicit a
19 donation in a promotional contest of chance. The donation may not
20 increase the chances of winning a prize.

21 (b) Language indicating that no purchase or donation is necessary
22 for entry must be present within the promotional advertisement.

23 (4) No person eligible to receive a prize in a promotional
24 contest of chance under subsection (1)(a) of this section may be
25 required to:

26 (a) Pay any consideration to the promoter or operator of the
27 business or bona fide charitable or nonprofit organization in order
28 to participate in the contest; or

29 (b) Purchase any service, goods, wares, merchandise, or anything
30 of value from the business or donate or otherwise contribute to the
31 bona fide charitable or nonprofit organization, however, for other
32 than contests entered through a direct mail solicitation, the
33 promoter or sponsor may give additional entries or chances upon
34 purchase of service, goods, wares, (~~or~~) merchandise, or donation if
35 the promoter or sponsor provides an alternate method of entry
36 requiring no consideration.

37 (5) No person eligible to receive a prize in a promotional
38 contest of chance under subsection (1)(b) of this section may be
39 required to pay any consideration other than the deposit of funds, or

1 purchase any service, goods, wares, merchandise, or anything of value
2 from the financial institution.

3 (6) (a) As used in this section, "consideration" means anything of
4 pecuniary value required to be paid to the promoter or sponsor in
5 order to participate in a promotional contest. Such things as
6 visiting a business location, placing or answering a telephone call,
7 completing an entry form or customer survey, or furnishing a stamped,
8 self-addressed envelope do not constitute consideration.

9 (b) Coupons or entry blanks obtained by purchase of a bona fide
10 newspaper or magazine or in a program sold in conjunction with a
11 regularly scheduled sporting event are not consideration.

12 (7) Unless authorized by the commission, equipment or devices
13 made for use in a gambling activity are prohibited from use in a
14 promotional contest of chance.

15 (8) This section shall not be construed to permit noncompliance
16 with chapter 19.170 RCW, promotional advertising of prizes, and
17 chapter 19.86 RCW, unfair business practices.

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