

CHAPTER 19

**RAFFLES**

SECTION:

- 3-19-1: Definitions
- 3-19-2: Licensing Of Raffles
- 3-19-3: Licensing Limitations
- 3-19-4: License Application Procedure
- 3-19-5: Conduct Of Raffles
- 3-19-6: Raffle Manager And Bond
- 3-19-7: Records Of Licensee
- 3-19-8: Enforcement
- 3-19-9: Gambling; Other Activities

3-19-1: **DEFINITIONS:** The following words and terms shall have the meanings set forth, except where otherwise specifically indicated. Words and terms not defined shall have the meanings indicated by common dictionary definition.

**BUSINESS:** A voluntary organization composed of individuals and businesses who have joined together to advance the commercial, financial, industrial and civic interests of a community.

**CHARITABLE ORGANIZATION:** An organization or institution organized and operated to benefit an indefinite number of the public. The service rendered to those eligible for benefits must also confer some benefit on the public.

**EDUCATIONAL ORGANIZATION:** An organization or institution organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which compare favorably in their scope and intensity with the course of study presented in tax-supported schools.

FRATERNAL ORGANIZATION: An organization of persons having a common interest, the primary interest of which is to both promote the welfare of its members and to provide assistance to the general public in such a way as to lessen the burdens of government by caring for those that otherwise would be cared for by the government.

LABOR ORGANIZATION: An organization composed of workers organized with the objective of betterment of the conditions of those engaged in such pursuit and the development of a higher degree of efficiency in their respective occupations.

LOTTERY: Any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prizes, whether such scheme or procedure is called a lottery, raffle, gift, sale or some other name.

NET PROCEEDS: The gross receipts from the conduct of raffles, less reasonable sums expended for prizes, local license fees and other reasonable operating expenses incurred as a result of operating a raffle.

NONPROFIT ORGANIZATION: An organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to any one as a result of the operation.

RAFFLE: A form of lottery in which:

- A. The player pays or agrees to pay something of value for a chance, represented and differentiated by a number or by a combination of numbers or by some other medium, one or more of which chances are to be designated the winning chance;
- B. The winning chance is to be determined through a drawing or by some other method based on an element of chance by an act or sets of acts on the part of persons conducting or connected with the lottery, except that the winning chance shall not be determined by the outcome of a publicly exhibited sporting contest.

RELIGIOUS ORGANIZATION: Any church, congregation, society organization founded for the purpose religious worship.

VETERANS' ORGANIZATION: An organization or association comprised of members of which substantially all are individuals who are veterans or spouses,

widows or widowers of veterans, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit. (1984 Code; amd. Ord. 98-11, 2-3-1998)

3-19-2:       **LICENSING OF RAFFLES:**

- A. No person, firm or corporation shall conduct raffles without having first obtained a license therefor pursuant to this Chapter.
- B. Licenses shall be issued only to bona fide religious, charitable, labor, business, fraternal, educational or veterans' organizations that operate without profit to their members and which have been in existence continuously for a period of five (5) years immediately before making application for a license and which have had during that entire five (5) year period a bona fide membership engaged in carrying out their objects, or to a nonprofit fund raising organization that the Village Administrator or her designee, determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardship as the result of an illness, disability, accident or disaster.
- C. A license shall authorize the licensee to conduct raffles, as defined herein, and each license shall be valid for: 1) one raffle, or 2) for a specified number of raffles to be conducted during a specified period not to exceed one year. A license may be suspended or revoked for any violation of this Chapter or for any violation of the Raffles Act<sup>1</sup>.
- D. Licenses issued by the Village Administrator, or her designee, are subject to the following restrictions:
  - 1. The license and application for license must specify the number of raffles to be conducted by the licensee/applicant and the specified time period in which the license will be in effect (not to exceed one year). For each raffle to be conducted by the licensee/applicant, the license and application for license must specify the area or areas within the corporate limits of the Village in which raffle chances will be sold or issued, the time period during which raffle chances will be sold or issued, the time of determination of winning chances, and the location or locations at which winning chances will be determined.
  - 2. The license application must contain a sworn statement attesting to the not-for-profit character of the prospective licensee organization, signed by the presiding officer and the secretary of that organization.
  - 3. The following are ineligible for any license under this Chapter:
    - a. Any person who has been convicted of a felony;
    - b. Any person who is or has been a professional gambling gambler or gambling promoter;
    - c. Any person who is not of good moral character;

- d. Any firm or corporation in which a person defined in subsection D3a, D3b or D3c of this Section has a proprietary, equitable or credit interest, or in which such a person is active or employed;
- e. Any organization in which a person defined in subsection D3a, D3b or D3c of this Section is an officer, director or employee whether compensated or not;
- f. Any organization in which a person defined in subsection D3a, D3b or D3c of this Section is to participate in the management or operation of a “raffle” as defined herein. (Ord. 98-1 1, 2-3-1 998)

3-19-3: **LICENSING LIMITATIONS:** All licenses granted for the purpose of operating raffles within the Village shall be subject to the following limitations:

- A. The aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle shall not exceed Fifty Thousand Dollars (\$50,000.00).
- B. The maximum retail value of each prize awarded by a licensee in a single raffle shall not exceed Fifty Thousand Dollars (\$50,000.00).
- C. The maximum price which may be charged for each raffle chance issued or sold shall not exceed two thousand dollars (\$2,000.00).
- D. The maximum days during which chances may be issued or sold for a single raffle shall not exceed three hundred (300) days. (1984 Code)

3-19-4: **LICENSE APPLICATION PROCEDURE:**

- A. All applicants for a raffle license must complete and sign an application, which will be available at the Village Hall during regular business hours.
- B. Each application shall include a license fee in the amount of Five Dollars (\$5.00) before said application shall be considered complete.
- C. Upon receipt of a completed application and application fee by the Village Clerk, the Village Administrator, or her designee, shall act upon the license application within thirty (30) days from the date of receipt of said completed application and application fee. The Village Administrator, or her designee, shall direct the Village Clerk to issue the raffle license within said thirty (30) day period if the applicant meets the standards set forth in this Chapter 19 and has paid the application fee and furnished the fidelity bond or waiver required under Section 3-19-6 herein, and is not ineligible for a raffle license pursuant to Section 3-19-2D(3) herein. In the event the Village Administrator denies a raffle license

application, and/or directs the Village Clerk not to issue a raffle license, the Village Administrator shall issue the applicant a written notice of denial within said thirty (30) day period expressly referring to the specific requirement or requirements of this Chapter 19 that the applicant failed to meet.

- D. The applicant may appeal the decision of the Village Administrator, or her designee, denying the raffle license application within thirty (30) days after notice of denial is mailed to the applicant, by submitting to the Village Clerk a written request for a hearing before the Village President and Board of Trustees. The Clerk shall give the applicant at least ten (10) days prior notice of the time and place of such hearing. The Village President and Board of Trustees shall consider the application and shall hear evidence regarding the license denial and the basis for said denial. The applicant or his or her attorney shall have the right to examine witnesses and present evidence on behalf of the applicant. At the conclusion of the hearing, the Village President and Board of Trustees shall affirm or reverse the denial of such application, and at its next succeeding regular meeting of the corporate authorities shall make findings of fact and approve of a formal written order affirming or reversing the denial of the raffle license application.
- E. Any raffle license issued in violation of the provisions of this Section 3-19-4 shall be null and void.

3-19-5: **CONDUCT OF RAFFLES:** The conducting of raffles is subject to the following restrictions:

- A. The entire net proceeds of any raffle must be exclusively devoted to the lawful purposes of the organization permitted to conduct that game.
- B. No person except a bona fide member of the sponsoring organization may participate in the management or operation of the raffle.
- C. No person may receive any remuneration or profit for participating in the management or operation of the raffle.
- D. A licensee may rent a premises on which to determine the winning chance or chances in a raffle only from an organization which is also licensed under this Chapter. (1984 Code)
- E. Raffle chances may be sold or issued only within the area specified on the license and winning chances may be determined only at those locations specified on the license. (Ord. 98-11, 2-3-1 998)
- F. No person under the age of eighteen (18) years may participate in the conducting of raffles or chances. A person under the age of eighteen (18) years may be within the area where winning chances are being determined only when accompanied by his parent or legal guardian. (1984 Code)

3-19-6: **RAFFLE MANAGER AND BOND: RAFFLE MANAGER AND BOND:**

The operation and conduct of raffles shall be under the supervision of a single raffles manager designated by the licensee organization. Unless the applicant executes a waiver and all of the members of the organization applying for the raffle license vote unanimously to waive the requirement that the raffle manager shall post a fidelity bond as evidenced by a list of all of the members of the organization and a certified copy of a Resolution, minutes of a meeting of said members and/or other written documentation indicating said unanimous vote and/or consents to the waiver by all such members, the manager shall give a fidelity bond in an amount equal to the greater of (a) 110% of its estimate of the gross receipts it anticipates that will be received by the licensed organization for the raffle or raffles for which the license is being applied for, or (b) 110% of the estimated aggregate value of all of the prizes for the raffle or raffles being applied for; in favor of the licensee organization, conditioned upon the raffle manager's honesty in the performance of his or her duties. Terms of the bond shall provide that notice shall be given in writing to the licensing authority not less than thirty (30) days prior to its cancellation. An applicant may request that the amount of said bond be reduced, but only the President and Board of Trustees shall have the authority to determine a different amount of the fidelity bond, based on good cause shown by the applying organization.

3-1 9-7:       **RECORDS OF LICENSEE:**

- A. Each organization licensed to conduct raffles and chances shall keep records of its gross receipts, expenses and net proceeds for each single gathering or occasion **at** which winning chances are determined. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, a description of the purchased item or service or other reason for the deduction and the recipient. The distribution of net proceeds shall be itemized as to payee, purpose, amount and date of payment.
- B. Gross receipts from the operation of raffle programs shall be segregated from other revenues of the organization, including bingo gross receipts, if bingo games are also conducted by the same nonprofit organization, pursuant to license therefor issued by the Department of Revenue of the State, and placed in a separate account. Each organization shall have separate records of its raffles. The person who accounts for gross receipts, expenses and net proceeds from the operation of raffles shall not be the same person who accounts for other revenues of the organization.
- C. Each organization licensed to conduct raffles shall report monthly to its membership, and to the licensing local unit of government, its gross receipts, expenses and net proceeds from raffles and the distribution of net proceeds itemized as required in this Section.
- D. Records required by this Section shall be preserved for three (3) years, and organizations shall make available their records relating to operation of raffles for public inspection at reasonable times and places. (1984 Code)

3-1 9-8:       **ENFORCEMENT:** Any law enforcement agency that takes action relating to the operation of a charitable game shall

notify the Department of Revenue and specify the extent of the action taken and the reasons for such action. (Ord. 98-11, 2-3-1998)

3-19-9:       **GAMBLING; OTHER ACTIVITIES:** Nothing in this Act shall  
                  be construed to authorize the conducting or operating of any gambling scheme,  
enterprise, activity or device other than raffles as provided herein. (Ord. 98-11, 2-3-1998)