

Raffles as Fundraisers

California law prohibits lotteries or raffles. A lottery is “any scheme for the disposition of property by chance among persons who have paid or promised to pay any value for the chance of obtaining the property, with the understand that it will be disposed of by chance.”

There are three elements which must be present in order for a scheme to constitute a lottery. There must be (1) a prize, (2) consideration, and (3) distribution of a prize by chance. For the scheme to be a lottery, all three elements must be present.

California courts have interpreted these elements broadly. The courts have found a “prize” to include almost any kind of property, such as money, a trip, personal property, an automobile, or the right to play a free game.

The second element of a lottery is the payment of consideration by the participant in order to be eligible to win a prize. “Consideration” may be any kind of value. In order for consideration not to be present in a scheme, the courts have declared that anyone must be eligible to win a prize without making a purchase.

The final element of a lottery is distribution of the prize “by chance.” The chance element can be present in a scheme even if it contains elements of skill, as long as chance is the dominate factor in determining the outcome.

There are two major exceptions to the law prohibiting lotteries. The operation of the California Sate Lottery is authorized by the California Constitution. The Constitution also empowers the Legislature to authorize cities and counties to provide for bingo games, but only for charitable purposes.

Any person who prepares or operates a lottery, furnishes lottery tickets, or assists a lottery is guilty of a misdemeanor.

If you have questions about a particular fundraising event your organization in planning on sponsoring, please talk to the staff in the Center for Student Development and Programs. This is just a portion of California Penal Code section 319. A complete copy of the Code is available on the Center website.