

PROCEDURE TO OBTAIN A RAFFLE AND BAZAAR PERMIT

INITIAL REQUEST

Organization applies to city/town clerk in community in which event is to be held.

CLERK APPROVES APPLICATION

Forwards application to Police Chief in local community.

POLICE CHIEF APPROVES APPLICATION

Returns application to clerk.

CLERK ISSUES PERMIT TO ORGANIZATION

Forwards "NOTICE OF ISSUANCE" form to Massachusetts State Lottery Commission.

MSLC NOTIFIES ORGANIZATION IMMEDIATELY OF TAX PAYMENT REQUIRED

Packet mailed includes:

- 1) Tax Forms
- 2) Instructions
- 3) Pertinent Bulletins & Cover letter

ORGANIZATION RESPONDS

Tax Forms assigned an ID#
Forms sent to Computer
Notices filed
Tax payments sent to Treasurer's Office on Receipt Voucher

ORGANIZATION FAILS TO RESPOND

Organization sent second notice.

ANNUAL REPORT

An organization issued a permit shall within thirty days of the expiration of its permit submit a report in duplicate with the city/town clerk. The clerk shall send one copy to the Commissioner of Public Safety. This form requires the name and addresses of winners of \$25.00 or more.

RAFFLES & BAZAAR PERMIT (C. 810- Acts of 1969)

Name of nonprofit organization

Address of Nonprofit Organization

We, the undersigned, do hereby certify that the above-named organization has been organized and actively functioning as a nonprofit organization in the Commonwealth for a period of not less than two years before applying for a permit.

Authorized Signature

Address

Phone Number

Authorized Signature

Address

Phone Number

Authorized Signature

Address

Phone Number

Date: _____

Commonwealth of Massachusetts

_____, ss: _____ 20____

Then personally appeared before me the above named _____

and acknowledged the foregoing instrument to be his/her free act and deed, before me.

Notary Public

My Commission Expires: _____



The Commonwealth of Massachusetts

Town of Boxford

FEE
\$25.00

APPLICATION FOR PERMIT TO CONDUCT RAFFLES AND BAZAARS
(C.810, ACTS OF 1969)

Name and address of Nonprofit Organization:

.....
.....

FID#.....

Evidence of Qualification for Permit:

- (a) Veterans' organization chartered by the Congress of the United States or included in clause (12) of section five of chapter 45 of the General Laws; or,
- (b) Church or religious organization; or,
- (c) Fraternal or fraternal benefit society; or,
- (d) Educational or charitable organization; or,
- (e) Civic or service club or organization; or,
- (f) Club or organization organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any member or shareholder.

Officers or members of organization responsible for operation of raffle or bazaar:

<u>Name</u>	<u>Residence Address</u>
(1).....
(2).....
(3).....

Uses to which net proceeds will be applied:

Application certified to be in Conformity with
C.810, Acts of 1969:

.....

Town Clerk

Permit (ISSUED) (DENIED)

.....

Date

.....

Town Clerk

.....

Signature of authorized officer or member of
organization

The applicant **(IS)** **(IS NOT)** qualified to operate
raffles and bazaars under the provisions of
C.810, Acts of 1969:

.....

Chief of Police

Massachusetts State Lottery Commission
 Charitable Gaming Division
 P.O. Box 859012
 Braintree, Massachusetts 02185-9012
 TEL. (617)849-5555
 FAX: (617)849-5546

RAFFLE AND/OR BAZAAR TAX RETURN

ATTENTION:

**FILE RETURN AND PAYMENT
 WITHIN 10 DAYS AFTER OCCASION
 TO ABOVE ADDRESS
 (SEE PENALTIES PAGE 2- PAR. A. THROUGH E.)**

CHECK (✓)
 TYPE OF ACTIVITY: RAFFLE BAZAAR OTHER (SPECIFY) _____

PLEASE TYPE OR PRINT IN INK

SCHEDULE 1

NAME OF ORGANIZATION																																																																																																			

STREET ADDRESS OR ORGANIZATION																																																																																																			

AREA CODE & TELEPHONE NO.									

CITY OR TOWN																																																																																																			

F.ID.NO. OF ORGANIZATION									

COMPUTATION OF TAX:

1. RECEIPTS FROM SALES

ZIP CODE				

DATE OF OCCASION									

_____ X _____ \$
 No. of Tickets or Cost per Ticket
 Chances Sold or Chance

2. OTHER RECEIPTS \$ _____

3. GROSS RECEIPTS (ADD LINES 1 AND 2) \$ _____

4. TAX \$ _____ X .05 \$ _____
Amount of Line 3

5. PENALTY AND INTEREST (SEE PAR D. - PAGE 2) \$ _____

6. TOTAL TAX DUE (ADD LINES 4 AND 5) \$ _____

SCHEDULE 2

COMPUTATION OF NET PROFIT OR LOSS:

1. GROSS RECEIPTS (FROM LINE 3 - SCHEDULE 1) \$ _____

2. LESS EXPENSES:

A. TOTAL PRIZES AWARDED (CASH OR VALUE) \$ _____

B. OTHER EXPENSES \$ _____

C. TAX PAID (LINE 6 - SCHEDULE 1) \$ _____

D. TOTAL EXPENSES (ADD ITEMS 2A-B-C) \$ _____

3. NET PROFIT OR (LOSS) (SUBTRACT LINE 2D FROM LINE 1) \$ _____

IMPORTANT!!! - PLEASE READ THE FOLLOWING PARAGRAPHS

STAPLE CHECK > < STAPLE CHECK
 MAKE CHECK PAYABLE TO:
 MASSACHUSETTS STATE LOTTERY COMMISSION

- A. **Gross proceeds derived from a raffle** are the total receipts from the sale of all tickets certain among which entitle holders to prizes, as determined by chance after the sale.
- B. **Gross proceeds derived from a bazaar** are the total receipts from the sale of all tickets, pr, other evidences of chance for the disposal (by means of chance) of awards permitted under Section 7A of Chapter 271 of the General Laws.
- C. Any organizations conducting a raffle or bazaar **MUST FILE** a return and **PAY** a tax of FIVE PER CENT of the GROSS PROCEEDS within TEN DAYS after each raffle or bazaar. See Section 7A of General Laws Chapter 271 as inserted by Chapter 810 of the Acts of 1968 and amended by Chapter 219 of the Acts of 1977.
- D. **INTEREST AND PENALTY**
 - 1. Interest - Charged at 12% from date due to date paid.
 - 2. Penalty for Late Filing of Return - One percent of the tax due for each month or part thereof from date return due to the date filed up to a maximum of 25% the tax due.
 - 3. Penalty for Late Payment of Tax - One-half of one percent of the tax due for each month or part thereof from the date tax due to the date paid up to a maximum of 25% of the tax due.
- E. Adequate books and records must be maintained and kept to substantiate compliance with the five per cent gross proceeds tax. For tax auditing purposes, such books and records should preserved and available for a period of three years after each return is filed.

I DECLARE UNDER THE PENALTIES OF PERJURY THAT THIS RETURN HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN.

SIGNATURE OF AUTHORIZED OFFICIAL TITLE DATE

RESIDENCE ADDRESS

AREA BUSINESS TELEPHONE NO.											

CITY OR TOWN ZIP

AREA						HOME PHONE					

COMMENTS AND/OR COMPUTATION OF PENALTIES AND INTEREST

**NOTICE OF ISSUANCE OF:
RAFFLE AND/OR BAZAAR LICENSE
CITY OR TOWN**

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FOR MASSACHUSETTS STATE LOTTERY COMMISSION USE ONLY

IDENTIFICATION NUMBER

DATE RECEIVED

--	--	--	--	--	--	--	--

FOR CITY / TOWN USE ONLY

Date of Issue: _____

City / Town Official

Title

OFFICIAL
SEAL:

Name of Authorized Organization _____

Address (Street) _____ City/Town _____ ZIP CODE _____

FORM IS TO BE RETURNED TO:
CHARITABLE GAMING DEPARTMENT
Massachusetts State Lottery
P.O. Box 859012
BRAintree, MA 02185-9012

RBL PRINT IN INK, OR TYPEWRITE COMPLETE AND SIGN THE REVERSE SIDE

25M-7-83

Date Organized _____

Corporation Unincorporated Association

Religious Organization Veterans Organization (non-profit) Educational Organization Civic Organization

Charitable Organization Volunteer Fire Company Fraternal Organization Other

FOR M.S.L.C. USE ONLY

TAX FORM SENT

BY: _____

DATE: _____

INV. ASSIGNED: _____

Assigned By _____ Date _____

AUTHORIZED OFFICER OF ORGANIZATION SIGN BELOW

Signature of Officer _____ Date _____

Title _____

TELEPHONE NUMBERS

AREA		HOME PHONE			

DATE OF OCCASION _____

AREA		HOME PHONE			

NUMBER OF OCCASIONS NEST TWELVE (12) MONTHS _____

Guidance on Raffles

<https://www.mass.gov/guides/guidance-on-raffles#-frequently-asked-questions-about-raffles->

In this guide you will find information on the rules and guidelines to follow if your organization is considering holding a raffle in Massachusetts. If you have any questions on the material contained in this guide please contact the Non-Profit Organizations/ Public Charities Division of the Attorney General's Office.

Hosting a raffle

Some nonprofit organizations are permitted to hold certain gaming activities in order to fundraise. They are allowed to hold raffles, defined as "an arrangement for raising money by the sale of tickets, certain among which, as determined by chance after the sale, entitle the holders to prizes."

The law requires that the promotion and operation of the raffle be limited only to the qualified members of the sponsoring organization and no such member shall receive compensation in any form for their time or effort devoted to the promotion and operation of such raffle. In addition, all raffle proceeds must be used for educational, charitable, religious, fraternal or civic purposes or for veterans' benefits.

Only certain organizations can hold raffles

Only a veterans, church or religious, fraternal or fraternal benefit society, educational or charitable, civic or service club, or other club or organization operated exclusively for nonprofit purposes may hold a raffle. This means:

1. a for-profit entity cannot hold a raffle for itself or for a nonprofit; and

2. an individual cannot hold a raffle.

The organization must be organized and actively functioning as a nonprofit in Massachusetts for at least two years. This means the organization cannot:

1. organize one week and have a raffle the next week; and

2. be incorporated or otherwise organized in another state.

If the organization is a public charity, in order to hold a raffle it must be registered with the AGO and in compliance with the reporting requirements. The law exempts the American National Red Cross, the Grand Army of the Republic, American Veterans of World War II, Korea and Vietnam, Vietnam Veterans of America, AMVETS, the United Spanish War Veterans, the American Legion, the Disabled American Veterans of the World War, Military Order of the Purple Heart, the Paralyzed Veterans of America, the Veterans of World War I of the U.S.A., the Veterans of Foreign Wars of the United States and organizations that hold property held for any religious purpose, whether incorporated or unincorporated, from having to register with the AGO. These organizations still need to follow the law and regulations in order to hold a raffle.

The public charity must also be in possession of a **Certificate of Solicitation**. If the public charity is unable to document its compliance with the reporting and certificate requirements, it should contact the AGO's Non-Profit Organizations/Public Charities Division.

Obtaining a permit

Before conducting a raffle, the organization must obtain a raffle/bazaar permit from the City or Town clerk where the raffle is going to be held. The permit application must include:

- the name and address of organization;

- the evidence it relies on to qualify for a permit;
- the names of three officers or members who are responsible for the raffle; and
- the uses to which the net proceeds will be applied.

The process to obtain a permit is as follows:

1. The permit application is submitted and reviewed by the City or Town Clerk.
2. It then goes to the Chief of Police who decides whether or not to endorse it.
3. If endorsed by the Police Chief, it is returned to the Clerk who issues the permit.
4. The Clerk issues a permit valid for one calendar year and sends a copy to the Commissioner of Public Safety and to the Lottery Commission.
5. The Lottery Commission sends a financial form for the organization to complete within 10 days after the raffle is completed.
6. If the application is not endorsed by the Chief of Police or not approved by the Clerk within 30 days of applying, the organization may seek judicial review in the District Court.

Additional Requirements

If a raffle's ticket price is more than \$10 or the raffle has a prize worth more than \$10,000, there are additional requirements, including:

- Only people who are qualified members of the organization holding the raffle can participate in managing or otherwise assisting in the operation of the raffle. Those are people who: (1) were members of the organization for at least 3 months prior to the raffle; (2) paid any required fees or

dues to the organization; and (3) have met all other conditions for being a member in good standing with the organization.

- The raffle tickets, or a written notice given to the purchaser prior to selling the ticket, must disclose: (1) the drawing date; (2) a full and fair description of the prize; (3) the appraised value of the prize (when purchased from a third party, the organization must have an independent appraisal by a licensed appraiser); (4) a date when the prize is available for inspection; (5) the amount of the ticket price that goes to charitable purposes; (6) the minimum or maximum number of tickets to be sold and what happens if the minimum is not reached; (7) that a prize is considered to be ordinary income by the Internal Revenue Service (IRS); (8) that no part of a raffle ticket purchase is considered a charitable contribution by the IRS; and (9) depositing the ticket or other material in connection with the raffle in the mail is a violation of federal law and may lead to criminal penalties.
- If there are any changes to the terms of the raffle (such as the nature or value of the prize or a postponement of the drawing date), the organization must notify all purchasers and give them a chance to rescind their purchase.
- If the prize is not awarded, the organization must notify ticket purchasers and return all of the money received within 30 days.
- No member or employee of the organization or their immediate family members may purchase tickets to the raffle or win the prize.
- No raffle tickets may be given away by the organization, its members, employees, or agents.

Record Keeper

The record keeper shall:

1. have been a member of the organization for a minimum of two years prior to the raffle;
2. maintain a list of members of the organization;
3. maintain a list of those members authorized to sell raffle tickets or participate in any way in the promotion or operation of the raffle;
4. maintain all documents concerning the prize or prizes to be raffled;
5. maintain all permits, licenses, and other documents required for the raffle;
6. keep a record of the raffle ticket purchaser's name and address and purchase date;
7. keep the ticket stubs used to conduct the drawing; and
8. be responsible for keeping and distributing raffle tickets, the safekeeping of ticket stubs and maintaining all records relating to the raffle, including bills of sale, agreements, appraisals, permits, licenses, ledger books, and any other documents required to show the proceeds and expenses of the raffle.

Activities after the raffle

The organization must file a tax return with the Lottery Commission and pay a 5% tax on the gross proceeds (that is not the net amount after expenses, but the gross amount received) ten days after the raffle. The organization will receive the forms from the Lottery Commission after the permit is issued.

30 days after the raffle/bazaar permit expires, the organization must file with the City or Town Clerk two copies of a financial

report certified by the three members responsible for the event and an accountant. The Clerk will then send one copy to the Commissioner of Public Safety.

The permitted organization must keep all records relating to the raffle for at least one year after the financial report is submitted. However, if the organization is a public charity reporting to the Attorney General, it must keep the records for three years after the filing of the Form PC.

Frequently asked questions about raffles

Q: Are there any limits on the number of raffles allowed under a permit?

A: No, there is no limit on the number of raffles that can be held.

Q: What is the difference between a raffle and a promotion?

A: A raffle requires a purchase in order to participate but a promotion does not. For example, radio stations may offer listeners a chance to win prizes; but if an individual does not have to pay to be eligible to win, it is considered a promotion. If a retailer does not require a purchase to participate in a give away of goods or services, it is conducting a promotion, not a raffle. These guidelines do not apply to promotions.

Q: Does an organization need a permit to conduct a silent auction?

A: No, a silent auction is not considered gaming activity.

Q: Can I raffle off my house if I give a portion of it to a nonprofit organization?

A: No. Only qualified non-profit organizations that have obtained a permit can conduct raffles. An individual cannot hold a raffle even if a portion of the proceeds will be donated to a qualified nonprofit organization.

Q: Can a nonprofit organization hold an online raffle?

A: Currently, Massachusetts has no law that allows raffle ticket sales over the Internet. Both the raffle ticket seller and purchaser must sign the raffle ticket. In addition, raffle activity conducted online may implicate both federal and state laws and some states expressly prohibit it. Organizations wishing to hold online raffles should consult an attorney who can provide guidance on all legal requirements before conducting an online raffle.

Q: Can a nonprofit organization hold a 50/50 raffle or distribute a prize from the money collected from the sale of raffle tickets?

A: A nonprofit organization may hold a raffle to award various prizes that are announced in advance, such as a motorcycle, trip or television. If, however, the prize is cash (such as in the case of a 50/50 raffle where the winner receives 50% of the proceeds) or a portion of the prize is derived from the raffle proceeds, **the raffle may run afoul of the prohibition against pooling.**

Part IV	CRIMES, PUNISHMENTS AND PROCEEDINGS IN CRIMINAL CASES
Title I	CRIMES AND PUNISHMENTS
Chapter 271	CRIMES AGAINST PUBLIC POLICY
Section 7A	RAFFLES AND BAZAARS; CONDUCT BY CERTAIN ORGANIZATIONS

Section 7A. In this section the following words shall have the following meanings:

"Raffle", an arrangement for raising money by the sale of tickets, certain among which, as determined by chance after the sale, entitle the holders to prizes.

"Bazaar", a place maintained by the sponsoring organization for disposal by means of chance of one or both of the following types of prizes: (1) merchandise, of any value, (2) cash awards, not to exceed \$250 each.

Notwithstanding any other provisions of law, raffles and bazaars may be promoted, operated and conducted under permits issued in accordance with the provisions of this section.

No organization, society, church or club which conducts a raffle or bazaar under the provisions of this section shall be deemed to have set up and promoted a lottery and nothing in this chapter shall authorize the prosecution, arrest or conviction of any person connected with the

operation of any such raffle or bazaar; provided, however, that nothing contained in this section shall be construed as permitting the game commonly known as "beano" or any similar game regardless of name.

No raffle or bazaar shall be promoted, operated or conducted by any person or organization, unless the same is sponsored and conducted exclusively by (a) a veterans' organization chartered by the Congress of the United States or included in clause (12) of section five of chapter forty of the General Laws; (b) a church or religious organization; (c) a fraternal or fraternal benefit society; (d) an educational or charitable organization; (e) a civic or service club or organization; and (f) clubs or organizations organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any member or shareholder. Such organization shall have been organized and actively functioning as a nonprofit organization in the commonwealth for a period of not less than two years before it may apply for a permit. The promotion and operation of the raffle or bazaar shall be confined solely to the qualified members of the sponsoring organization and no such member shall receive remuneration in any form for time or effort devoted to the promotion or operation of such raffle or bazaar. All funds derived from any raffle or bazaar shall be used exclusively for the purposes stated in the application of the sponsoring organization which purposes shall be limited to educational, charitable, religious, fraternal or civic purposes or for veterans' benefits. An organization which meets the qualifications required by this section and which desires to conduct or operate a raffle or bazaar within the commonwealth shall apply for a permit to conduct raffles and bazaars from the clerk of the city or town in which the raffle will be drawn or the bazaar held. The application form shall be approved by the commissioner of the division of professional

licensure and shall include the name and address of the applicant, the evidence on which the applicant relies in order to qualify under this section, the names of three officers or members of the organization who shall be responsible for the operation of the raffle or bazaar, and the uses to which the net proceeds will be applied. Unless otherwise established in a town by town meeting action and in a city by city council action, and in a town with no town meeting by town council action, by adoption of appropriate by-laws and ordinances to set such fees, a fee of ten dollars shall accompany each such application and shall be retained by the city or town, but in no event shall any such fee be greater than fifty dollars. Upon receipt of such application, the clerk shall determine whether it is in conformity with this section. If the clerk so determines, he shall forward the application to the chief of police of the city or town, who shall determine whether the applicant is qualified to operate raffles and bazaars under this section. If the chief of police so determines, he shall endorse the application and return it to the clerk, who shall forthwith issue a permit, which shall be valid for one year from the date of its issuance. The clerk shall retain a copy of the application and shall send a copy to the commissioner of the division of professional licensure. If there is any change in the facts set forth in the application for a permit subsequent to the making of such application, the applicant shall forthwith notify the authority granting such permit of such change, and such authority shall issue such permit if the applicant is qualified, or, if a permit has already been issued and the change in the facts set forth in the application disqualify the applicant revoke such permit.

If an application is not acted upon within thirty days after it is submitted, or if the organization is refused a permit, or if a permit is revoked, any person named on the application may obtain judicial review of such

refusal or revocation by filing within ten days of such refusal or revocation or within ten days of the expiration of such thirty day period a petition for review in the district court having jurisdiction in the city or town in which such application was filed. A justice of said court, after a hearing, may direct that such permit be issued, if he is satisfied that there was no reasonable ground for refusing such permit, and that the applicant was not prohibited by law from holding raffles or bazaars.

An organization issued a permit under this section shall within thirty days of the expiration of its permit submit a report on a form to be approved by the commissioner of the division of professional licensure. Such form shall require information concerning the number of raffles and bazaars held, the amount of money received, the expenses connected with the raffle or bazaar, the names of the winners of prizes exceeding \$250 in value, the net proceeds of the raffles and bazaars, and the uses to which the net proceeds were applied. The organization shall maintain and keep such books and records as may be necessary to substantiate the particulars of such report, which books and records shall be preserved for at least one year from the date of such report and shall be available for inspection. Such report shall be certified to by the three persons designated in the permit application as being responsible for such raffle or bazaar and by an accountant. Two copies of said report shall be filed with city or town clerk. The clerk shall send one copy to the commissioner of the division of professional licensure. Failure to file said report shall constitute sufficient grounds for refusal to renew a permit to conduct raffles or bazaars. The fee for renewal of such permit shall be ten dollars.

The authority granting any permit under this section shall immediately revoke the same for a violation of any provision of this section and shall not issue any permit to such permittee within three years from the date of such violation. Any person aggrieved by the action of such authority revoking such permit may appeal to the district court having jurisdiction in the city or town where the permit was issued; provided that such appeal shall be filed in such court within twenty days following receipt of notification by said authority. The court shall hear all pertinent evidence and determine the facts and upon the facts so determined annul such action or make such decision as equity may require. The foregoing remedy shall be exclusive.

Any organization conducting or operating a raffle or bazaar under this section shall file a return with the state lottery commission, on a form prepared by it, within ten days after the raffle or bazaar is held and shall pay therewith a tax of five per cent of the gross proceeds derived from such raffle or bazaar.

All sums received by said commission from the tax imposed by this section as taxes, interest thereon, fees, penalties, forfeitures, costs of suits or fines, less all amounts refunded thereon, together with any interest or costs paid on account of such refunds, shall be paid into the treasury of the commonwealth.

Whoever violates any provision of this section or submits false information on an application or report required under this section shall be punished by a fine of not more than one thousand dollars or by imprisonment in the house of correction for not more than one year, or both.

No person who prints or produces tickets, cards or any similar article used in the conduct of a bazaar or raffle pursuant to a permit issued under the provisions of this section shall be subject to any penalty therefor, provided that a certified copy of such permit was presented to him prior to his undertaking to print or produce such tickets or cards.

No organization issued a permit under this section shall conduct more than three bazaars in any single calendar year nor shall such organization conduct more than one bazaar in any single calendar day. The operation of a bazaar shall be limited to five consecutive hours.