

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT



BUSINESS SERVICES DEPARTMENT
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TO: Campus Principals
Parent Organizations-PTA's and Booster Clubs

FROM: Business Services Department

DATE: August 3, 2011

SUBJECT: Charitable Raffles

In an effort to assist parent organizations comply with the Charitable Raffle Enabling Act, the District is providing the following information as outlined by the Attorney General of Texas (<https://www.oag.state.tx.us/consumer/raffle.shtml>).

A raffle is the awarding of one or more prizes by chance at a single occasion among a pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.

[Board Policy FJ \(Legal\)](#) states "The District is not a 'qualified nonprofit organization' for purposes of the Charitable Raffle Enabling Act and shall not sponsor or conduct raffles." [Board Policy GKB \(Legal\)](#) states "A 'qualified nonprofit organization' for purposes of the Charitable Raffle Enabling Act may conduct raffles in accordance with the Act to benefit the District or school. A parent-teacher organization may be qualified to hold such raffles if it meets the requirements of the Act."

In general, a qualified organization is:

- A nonprofit association organized primarily for religious purposes that has been in existence in Texas for at least 10 years;
- A nonprofit volunteer emergency medical service that does not pay its members other than nominal compensation;
- A nonprofit volunteer fire department that operates fire-fighting equipment, provides fire-fighting services, and does not pay its members other than nominal compensation; or
- A nonprofit organization that has existed for at least three preceding years and is exempt from federal income tax under Section 501(c), Internal Revenue Code; does not distribute any of its income to its members, officers or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign.

Qualified exempt organizations are permitted to hold raffles subject to the following conditions:

- A qualified nonprofit organization may hold only two raffles per calendar year and only one raffle at a time.
- Raffle tickets may not be advertised state wide or through paid advertisements.
- Specific information must be printed on each raffle ticket sold or offered for sale:
 - 1) The name of the organization conducting the raffle;
 - 2) The address of the organization or of a named officer of the organization;
 - 3) The ticket price;
 - 4) A general description of each prize having a value of more than \$10; and
 - 5) The date on which the raffle prize(s) will be awarded.
- No one may be compensated directly or indirectly for organizing or conducting a raffle or for selling raffle tickets.
- A raffle prize may not be money (cash or a negotiable instrument such as a check, money order, or certificate of deposit).
- The organization may not permit a non-member or other unauthorized person to sell or offer to sell raffle tickets.
- Proceeds from ticket sales must be used only for the charitable purpose of the organization.

A raffle that violates the Charitable Raffle Enabling Act is considered illegal gambling under the Texas Penal Code. Conducting an illegal raffle is a Class A misdemeanor and participation is a Class C misdemeanor.