NEW YORK STATE | Gaming Commission | Division of Charitable Gaming

New York State Gaming Commission
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# Guidelines for Conducting "Penny Social" Raffles

Raffles are defined by Section 186.3-b of the General Municipal Law. as a game of chance ***"in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designated on the ticket or receipt, determined by chance as the result of a drawing from among those tickets or receipts previously sold, or a random event, the results of which correspond with tickets or receipts previously sold."***

Since Penny Socials are events in which a participant pays money for a ticket that will be randomly drawn to determine the winner of a merchandise prize, such events meet the definition of a Raffle reflected above, and must be lawfully conducted. Organizations that conduct Penny Socials must first qualify as an authorized organization pursuant to Article 9-A of the General Municipal Law, and must be either licensed to conduct raffles or authorized to conduct raffles pursuant to Rule 4601.1(c). (Please refer to **Guidelines For Conducting Raffles** accessible at www.gaming.ny.gov, and identify the Category of raffle applicable to your organization before conducting a Penny Social.)

Penny Social Raffles are conducted as outlined below:

1) Registration and licensing, if required:

    a. Authorized organizations conducting Category I raffles, after obtaining a Games of Chance Identification Number from the Commission, must obtain a Raffle License from their city, town or village clerk's office or if applicable file a GCVS-1 Form with their city, town or village clerk's office and the Commission.

    b. Authorized organizations conducting Category II raffles are exempt from obtaining a Games of Chance Identification Number from the Commission and license, and need not file a GCVS-1, nor a raffle financial statement.

2) The qualified authorized organization sells two-part "admission" style tickets, each half of which contains an identical, consecutively printed serial number. One half of the ticket ("stub") will be comingled with the rest of the ticket stubs from which the winning ticket(s) will be drawn, and the second half of the ticket ("receipt") will be retained by the purchaser and used for comparison with, and verification of, the winning ticket drawn. (Alternatively, an authorized organization may sell sheets of raffle tickets specifically designed for Penny Social Raffles consisting of a number of identically serial numbered ticket stubs attached to a receipt bearing that unique serial number. The ticket stubs will be detached from the receipt and used for the raffle

drawing(s) as described in #6 below, and the receipt is retained by the purchaser and used to and verify the winning ticket drawn;

3) The price per raffle ticket or series of raffle tickets, and the time that the drawing(s) will be held must be prominently posted in each location where raffle tickets are sold;

4) Alcoholic beverages (liquor, wine and beer) shall not be offered as prizes;

5) The qualified authorized organization places an empty bucket or other suitable container in the immediate proximity of each prize, to clearly identify to the raffle ticket purchasers which receptacle corresponds with a particular prize;

6) Since the law requires that raffle ticket winners need not be present at a drawing to win, each raffle ticket purchaser writes his or her name and phone number on each of their ticket stubs, and deposits one or more of those ticket stubs into the bucket corresponding with the prize of his or her choice;

7) A Member In Charge of the qualified authorized organization audibly announces the closing of raffle ticket sales, and provides the players with sufficient time to deposit their tickets into the receptacle(s) of their choice;

8) That same Member In Charge, following an announcement that the Penny Social Raffle drawing is about to begin, thoroughly mixes the contents of each bucket immediately prior to the drawings;

9) A Member In Charge of the qualified authorized organization, following an announcement that the Penny Social Raffle drawing is about to begin, thoroughly mixes the contents of the raffle ticket receptacle immediately prior to the drawing, and another member of the organization draws the winning ticket from the receptacle.

10) Member in charge clearly and audibly announces the serial number of the winning ticket and the winner's name and, if the winner is present, verifies that the serial number on the ticket drawn is identical to the serial number reflected on the player's half of the ticket, and immediately awards the winner the prize corresponding with that raffle ticket bucket;

11) This process of drawing winning tickets from each of the buckets is repeated until all of the prizes have been awarded; and

12) If the purchaser of the winning ticket stub is not present at the drawing a Member In Charge will contact the winner as soon as possible and arrange to award the prize.