

How your 50/50 raffle is like drinking a beer when you were in high school.

08.04.13 | Linda J. Rosenthal, JD



Raise your hand if you've attended a nonprofit event or fundraiser where a "50/50 raffle" – where the winning raffle ticket was worth 50% of the money raised – was one of the primary means for fundraising.

I'd be rather surprised if you didn't raise your hand. Problem is... those 50/50 raffles are illegal in California, just like that illicit beer you might have had at that party back when you were in high school. Yes. Illegal. As in **NOT IN THE SLIGHTEST WAY LEGAL**. In reality, **ALL RAFFLES** are illegal in California except in two, very specific circumstances. The state of California kind of views them as gambling... and that's an activity that's pretty tightly controlled by various and sundry bureaucracies that aren't the focus of this blog post.

At any rate, you are allowed to put on a raffle if you're engaged in gaming as a state and/or federally recognized Native American tribe. That's not most people. The other exception to the general illegality of raffles is that you may conduct a raffle **IF** you are a nonprofit organization – **BUT ONLY IF** you register the raffle with the California Attorney General prior to conducting any raffle **AND** you agree to file an "aggregate financial disclosure report" for all of the raffles you held during the reporting year which is, for some bizarre reason, September 1st through August 31st.

As a special little caveat to that reporting requirement, no more than 10% (yes **TEN PERCENT**) of the funds raised with a raffle can go to the expenses of running that raffle, and that includes any payout of the proceeds. Nope. **NO FIFTY PERCENT** payouts allowed. So that means that at **MOST**, you could do a 90/10 raffle. So just like the tasteless non-alcoholic beers out there... a 90/10 raffle isn't all that great or exciting, but it IS what is legal. To register your raffle, and to file your required annual financial disclosure, find the appropriate forms [HERE](#).