

# **Please do not return this code with your application- Keep it for your reference**

## **16-12-22.1. Raffles operated by nonprofit, tax-exempt organizations**

### INTENT OF CODE SECTION

(a) It is the intention of the General Assembly that only nonprofit, tax-exempt churches, schools, civic organizations, or related support groups; nonprofit organizations qualified under Section 501(c) of the Internal Revenue Code, as amended; or bona fide nonprofit organizations approved by the sheriff, which are properly licensed pursuant to this Code section shall be allowed to operate raffles.

### DEFINITION OF TERMS

(b) As used in this Code section, the term:

(1) "Nonprofit, tax-exempt organization" means churches, schools, civic organizations, or related support groups; nonprofit organizations qualified under Section 501(c) of the Internal Revenue Code, as amended; or bona fide nonprofit organizations approved by the sheriff.

(2) "Operate," "operated," or "operating" means the direction, supervision, management, operation, control, or guidance of activity.

(3) "Raffle" means any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prize. Such term shall also include door prizes which are awarded to persons attending meetings or activities provided that the cost of admission to such meetings or activities does not exceed the usual cost of similar activities where such prizes are not awarded.

(4) "Sheriff" means the sheriff of the county in which the nonprofit tax-exempt organization is located.

### SHERIFF'S LICENSE REQUIRED

(c) Any other law to the contrary notwithstanding, no nonprofit, tax-exempt organization shall be permitted to operate a raffle until the sheriff issues a license to the organization authorizing it to do so. The license described in this subsection is in addition to and not in lieu of any other licenses which may be required by this state or any political subdivision thereof, and no raffle shall be operated until such time as all requisite licenses have been obtained. In the event a nonprofit, tax-exempt organization desires to conduct a raffle in more than one county, such organization shall not be required to obtain a license under this Code section in each county in which such raffle is to be conducted and shall only be required to obtain such license from the sheriff of the county in which the state headquarters of such organization are located.

### LICENSE FEE AND RENEWAL

(d)(1) Any nonprofit, tax-exempt organization desiring to obtain a license to operate raffles shall make application to the sheriff on forms prescribed by the sheriff. The sheriff may require the payment of an annual fee not to exceed \$100.00. No license shall be issued to any nonprofit, tax-exempt organization unless the organization has been in existence for 24 months immediately prior to the issuance of the license. The license will expire at 12:00 Midnight on December 31 following the granting of the license. Renewal applications for each calendar year shall be filed with the sheriff prior to January 1 of each year and shall be on a form prescribed by the sheriff.

### INFORMATION & DOCUMENTS REQUIRED IN APPLICATION

(2) Each application for a license and each application for renewal of a license shall contain the following information:

(A) The name and home address of the applicant and, if the applicant is a corporation, association, or other similar legal entity, the names and home addresses of each of the officers of the organization as well as the names and addresses of the directors, or other persons similarly situated, of the organization;

(B) The names and home addresses of each of the persons who will be operating, advertising, or promoting the raffle;

(C) The names and home addresses of any persons, organizations, or other legal entities that will act as surety for the applicant or to which the applicant is financially indebted or to which any financial obligation is owed by the applicant;

(D) A determination letter from the Internal Revenue Service certifying that the applicant is an organization exempt under federal tax law;

(E) A statement affirming that the applicant is exempt under the income tax laws of this state under Code Section 48-7-25;

(F) The location at which the applicant will conduct the raffles and, if the premises on which the raffles are to be conducted is to be leased, a copy of the lease or rental agreement; and

(G) A statement showing the convictions, if any, for criminal offenses other than minor traffic offenses of each of the persons listed in subparagraphs (A), (B), and (C) of this paragraph.

(3) The sheriff shall refuse to grant a raffle license to any applicant who fails to provide fully the information required by this Code section.

### RAFFLES WITH VALUE OF \$100.00 OR LESS

(4) When a nonprofit, tax-exempt organization which operates or intends to operate raffles for residents and patients of a retirement home, nursing home, or hospital operated by that organization at which gross receipts are or will be limited to \$100.00 or less during each raffle and pays or will pay prizes having a value of \$100.00 or less during each raffle, then, notwithstanding any other provision of this Code section or any rule or regulation promulgated by the sheriff pursuant to the provisions of subsection (l) of this Code section, neither the applicant nor any of the persons whose names and addresses are required under subparagraphs (A) and (B) of paragraph (2) of this subsection shall be required to submit or provide fingerprints or photographs as a condition of being granted a license.

### REVOCACTION OF LICENSE

(e)(1) The sheriff shall have the specific authority to suspend or revoke any license for any violation of this Code section. Any licensee accused of violating any provision of this Code section shall be entitled, unless waived, to a hearing on the matter of the alleged violation conducted in accordance with Chapter 13 of Title 50, the "Georgia Administrative Procedure Act."

(2) By making application for a license under this Code section, every applicant consents that the sheriff, as well as any of his agents, together with any prosecuting attorney, as well as any of his agents, may come upon the premises of any licensee or upon any premises on which any licensee is conducting a raffle for the purpose of examining the accounts and records of the licensee to determine if a violation of this Code section has occurred.

#### CERTIFICATION OF STATUS

(f) The sheriff shall, upon the request of any prosecuting attorney or such prosecuting attorney's designee, certify the status of any organization as to that organization's exemption from payment of state income taxes as a nonprofit organization. The sheriff shall also upon request issue a certificate indicating whether any particular organization holds a currently valid license to operate a raffle. Such certificates properly executed shall be admissible in evidence in any prosecution, and Code Section 48-7-60, relative to the disclosure of income tax information, shall not apply to the furnishing of such certificate.

#### SPECIAL LIMITED LICENSE

(g) Notwithstanding the other provisions of this Code section, the sheriff, upon receiving written evidence of the bona fide nonprofit, tax-exempt status of the applicant organization, shall be authorized to issue a special limited license to a nonprofit, tax-exempt organization which will allow it to operate up to three raffles during a calendar year. In such cases, the sheriff shall waive the application and license fee provided for in subsection (d) of this Code section and the annual report provided for in subsection (j) of this Code section.

#### REQUIREMENTS AS TO LOCATION OF RAFFLE

(h) Raffles shall be operated only on premises owned by the nonprofit, tax-exempt organization operating the raffle, on property leased by the nonprofit, tax-exempt organization and used regularly by that organization for purposes other than the operation of a raffle, or on property leased by the nonprofit, tax-exempt organization operating the raffle from another nonprofit, tax-exempt organization.

#### REQUIREMENTS AS TO AGE FOR PARTICIPATION IN RAFFLE

(i) No person under the age of 18 years shall be permitted to play any raffle conducted pursuant to any license issued under this Code section unless accompanied by an adult.

#### ANNUAL REPORT REQUIRED

(j) On or before April 15 of each year, every nonprofit, tax-exempt organization engaged in operating raffles shall file with the sheriff a report disclosing all receipts and expenditures relating to the operation of raffles in the previous year. The report shall be in addition to all other reports required by law. The report shall be prepared and signed by a certified public accountant competent to prepare such a report and shall be deemed a public record subject to public inspection.

#### REQUIREMENTS FOR MAINTAINING RECORDS OF RAFFLE

- (k)(1) A licensee that conducts or operates a raffle shall maintain the following records for at least three years from the date on which the raffle is conducted:
- (A) An itemized list of the gross receipts for each raffle;
  - (B) An itemized list of all expenses other than prizes that are incurred in the conducting of the raffle as well as the name of each person to whom the expenses are paid and a receipt for all of the expenses;
  - (C) A list of all prizes awarded during the raffle and the name and address of all persons who are winners of prizes of \$50.00 or more in value;
  - (D) An itemized list of the recipients other than the licensee of the proceeds of the raffle, including the name and address of each recipient to whom such funds are distributed; and
  - (E) A record of the number of persons who participate in any raffle conducted by the licensee.

#### SPECIAL REQUIREMENTS

- (2) A licensee shall:
- (A) Own all the equipment used to conduct a raffle or lease such equipment from an organization that is also licensed to conduct a raffle;
  - (B) Display its raffle license conspicuously at the location where the raffle is conducted;
  - (C) Conduct raffles only as specified in the licensee's application; and
  - (D) Not conduct more than one raffle during any one calendar day.
- (3) No nonprofit, tax-exempt organization shall enter into any contract with any individual, firm, association, or corporation to have such individual, firm, association, or corporation operate raffles or concessions on behalf of the nonprofit, tax-exempt organization.
- (4) A nonprofit, tax-exempt organization shall not lend its name nor allow its identity to be used by any individual, firm, association, or corporation in the operating or advertising of a raffle in which said nonprofit, tax-exempt organization is not directly and solely operating the raffle.
- (5) No person shall pay consulting fees to any person for any services performed in relation to the operation or conduct of a raffle.
- (6) A person who is a member of more than one nonprofit, tax-exempt organization shall be permitted to participate in the raffle operations of only two organizations of which such person is a member; provided, however, that such person shall not receive more than \$30.00 per day for assisting in the conduct of raffles regardless of whether such person assists both organizations in the same day.

#### AUTHORITY OF SHERIFF TO ESTABLISH RULES & REGULATIONS

(l) The sheriff is authorized to promulgate rules and regulations which the sheriff deems necessary for the proper administration and enforcement of this Code section which are not in conflict with any provision of this Code section.

#### PENALTY FOR VIOLATION OF THIS CODE SECTION

(m) Any person who operates a raffle without a valid license issued by the sheriff as provided in this Code section commits the offense of commercial gambling as defined in Code Section 16-12-22 and, upon conviction thereof, shall be punished accordingly. Any person who knowingly aids, abets, or otherwise assists in the operation of a raffle for which a license has not been obtained as provided in this Code section similarly commits the offense of commercial gambling. Any person who violates any other provision of this Code section shall be guilty of a misdemeanor of a high and aggravated nature. Any person who commits any such violation after having previously been convicted of any violations of this Code section shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than five years or by a fine not to exceed \$10,000.00, or both.