
This is an overview guide for Fraternal Organization planning to conduct a raffle in the State of Ohio. Because there are many complex situations that may arise, councils should seek competent professional guidance from a local attorney. If the attorney hired has additional questions, he may contact this office.

Fraternal Organization

In order to comply with the new law passed in 2004, a fraternal organization must comply with a series of statutes set out below.

“Raffle” is defined as a form of bingo in which the one or more prizes are won by one or more persons who have purchased a raffle ticket.

Included in this definition are raffles that are determined by drawing a ticket stub or other detachable section from a receptacle containing ticket stubs or detachable sections corresponding to all tickets sold for the raffle. These include "tear-off" or "rip-off" tickets.

A fraternal organization that is also a non-profit as determined by the IRS, may conduct a raffle and will not be required to obtain a license so long as the raffle is not for profit and is solely used to raise money for the organization.

A fraternal organization that does not fall into a non-profit as determined by the IRS, may conduct a raffle so long as at least 50% of the net profit goes to a charitable organization.

The organization must be raising money through such sale for an organization that is tax exempt under IRC 509 (a) 1, 2, or 3 and is a governmental unit or organization which maintains its principal office in the state of Ohio and is in good standing and executes a written contract with the organization.
O.R.C. 2915.09(C)(6)

Veteran and fraternal organizations have been added to the types of charitable organizations that are permitted to conduct raffles. Charitable organizations that may conduct raffles include those with the following designations: 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10), 501(c)(19) and 501(c)(7) sporting organizations.

O.R.C.2915.092(A):

(A) (1) Subject to division (A)(2) of this section, a charitable organization, a public school, a chartered nonpublic school, a community school, or a veteran's organization, fraternal organization, or sporting organization that is exempt from federal income taxation under subsection 501(a) and is described in subsection 501(c)(3), 501(c)(4), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code may conduct a raffle to raise money for the organization or school and does not need a license to conduct bingo in order to conduct a raffle drawing that is not for profit.

(2) If a charitable organization that is described in division (A)(1) of this section, but that is not also described in subsection 501(c)(3) of the Internal Revenue Code, conducts a

raffle, the charitable organization shall distribute at least fifty per cent of the net profit from the raffle to a charitable purpose described in division (Z) of [section 2915.01](#) of the Revised Code or to a department or agency of the federal government, the state, or any political subdivision.

(B) Except as provided in division (A) or (B) of this section, no person shall conduct a raffle drawing that is for profit or a raffle drawing that is not for profit.

(C) Whoever violates division (B) of this section is guilty of illegal conduct of a raffle. Except as otherwise provided in this division, illegal conduct of a raffle is a misdemeanor of the first degree. If the offender previously has been convicted of a violation of division (B) of this section, illegal conduct of a raffle is a felony of the fifth degree.