

DECLARATION OF EMERGENCY

Department of Revenue Office of Charitable Gaming

Limited Raffle Licenses (LAC 42:I.1722)

In accordance with the emergency provisions of the Administrative Procedures Act, R.S. 49:962(A)(1)(a), the Department of Revenue, Office of Charitable Gaming adopts LAC 42:I.1722. This action has been deemed necessary to prevent imminent peril to the public welfare by “ensuring that the net proceeds of charitable games of chance conducted pursuant to the Charitable Raffles, Bingo and Keno Licensing Law are contributed to bona fide charitable causes” and to expand and expedite access to smaller non-profit entities in need of funding by reducing requirements in accordance with R.S. 4:707.1. And further, to decrease the potential for fraud in charitable games of chance and increase compliance in accordance with R.S. 4:702. This Emergency Rule shall be effective February 29, 2024, and shall remain in effect for a period of 180 days unless renewed by the Department of Revenue, Office of Charitable Gaming or until adoption of the final rules, whichever occurs first.

Act 89 of the 2023 Regular Session of the Louisiana Legislature enacted R.S. 4:707.1 to establish a limited raffle license and provide exemptions from the requirements of R.S. 4:705(2)(c) (\$75 license fee) and 4:714(F)(1) (requiring a separate charitable gaming account). LAC 42:I.1722 sets forth the qualifications and requirements for a limited raffle license. The rule establishes a reduced license and renewal fee of \$25. Limited raffle licenses are available to organizations who conduct one or more raffle games during the 12-month license period with aggregate total prize winnings that do not exceed \$10,000. Act 89 became effective August 1, 2023.

The Department of Revenue, Office of Charitable Gaming promulgated an Emergency Rule on September 1, 2023 (Louisiana Register, Volume 49, Number 9). Upon further discussion with various stakeholders, the Department of Revenue, Office of Charitable Gaming has determined that it is necessary to amend the provisions of the September 1, 2023 Emergency Rule. The amendment removes the mandatory assessment of penalty when the total prize winnings distributed by the licensee exceed \$10,000 during the limited license period. Effective February 29, 2024, the Department of Revenue, Office of Charitable Gaming amends the September 1, 2023 Emergency Rule which sets forth the qualifications and requirements for a limited raffle license.

Title 42

LOUISIANA GAMING

Part I. Charitable Bingo, Keno, Raffle

Subpart 1. Bingo

Chapter 17. Charitable Bingo, Keno and Raffle §1722. Limited Raffle License Requirements

A. A limited raffle license may be issued pursuant to R.S. 4:707.1 to an organization that:

1. qualifies under Louisiana law to conduct charitable gaming;
2. holds one or more raffle games during the 12-month license period for which the aggregate value of all

prizes to be awarded for all raffle games does not exceed \$10,000; and

3. the raffles are not conducted at a time and place other games of chance allowed under R.S. 4:707 are conducted.

B. Limited raffle licensees shall be subject to the same requirements as other licensed organizations conducting raffles except that:

1. the license and renewal fee shall be \$25;
2. a separate charitable gaming account shall not be required;
3. the information required by R.S. 4:716 shall be submitted annually rather than quarterly; and
4. the license renewal application may be submitted after June 30 without penalty, provided it is filed at least 30 days prior to the scheduled raffle unless the secretary waives this requirement for good cause.

C. Notwithstanding Paragraph (B)(1), if the aggregate value of all prizes to be awarded during the license period will not exceed \$250, the license and renewal fees shall be waived.

D. Raffle games for which the prize value cannot reasonably be predetermined, such as 50/50 and split the pot raffles do not qualify for a limited raffle license. Similarly, raffles with prizes that by nature exceed \$10,000, such as automobiles and immovable property, do not qualify for the limited raffle license.

E. If the total prize winnings distributed by the licensee during the 12-month limited license period exceed \$10,000, the organization shall be prohibited from renewing its limited raffle license. In this case, the organization shall apply for a standard charitable gaming license. In the event that the organization does not apply for a standard charitable gaming license, the organization's limited raffle license will be deemed suspended for a calendar year. After the expiration of the calendar year, the organization may reapply for a limited raffle license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707.1 and 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 50:

Luke Morris
Assistant Secretary

2403#009