STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

HOUSE BILL NO. 1056 By: Wells

AS INTRODUCED

An Act relating to crimes and punishments; amending 21 O.S. 1991, Section 1051, which relates to lotteries; modifying exceptions to lottery prohibition to allow certain raffles; defining terms; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 21 O.S. 1991, Section 1051, is amended to read as follows:

Section 1051. A. A lottery is any scheme for the disposal or distribution of property by chance among persons who have paid, or promised, or agreed to pay any valuable consideration for the chance of obtaining such property, or a portion of it, or for any share of or interest in such property, upon any agreement, understanding or expectation that it is to be distributed or disposed of by a lot or chance, whether called a lottery, a raffle, or a gift enterprise, or by whatever name the same may be known. Valuable consideration shall be construed to mean money or goods of actual pecuniary value. ~~Provided, it~~

B. It shall not be a violation of the lottery or gambling laws of this state for ~~(1) a~~:

1. A bona fide resident merchant or merchants of a city or town, acting in conjunction with the Chamber of Commerce or Commercial Club of this state thereof, to issue free of charge numbered tickets on sales of his merchandise, the corresponding stub of one or more of which tickets to be drawn or chosen by lot by a representative or representatives of said Chamber of Commerce or of said Commercial Club in the manner set forth on said tickets, the

numbered stub or stubs so drawn to entitle the holder of the corresponding numbered issued ticket to a valuable prize donated by said merchant; ~~(2) a~~

2. A bona fide community chest welfare fund on a military post or reservation to issue numbered tickets in conjunction with voluntary contributions to said fund, the corresponding stub or stubs of one or more of said tickets to be drawn by lot under the supervision of a military commander, the stub or stubs so drawn entitling the ticket holder to a prize of some value. Provided however, that no person shall sell tickets or receive contributions to said fund off the military reservation;

3. A nonprofit organization to conduct raffles for charitable purposes. Any organization conducting a raffle shall state on each raffle ticket the specific charitable purpose for which the raffle is being held. Any raffle conducted by an organization shall be conducted by members of the organization without compensation to any member. The organization shall not be authorized to hire or contract with any person or business association, corporation, partnership, limited partnership or limited liability company to conduct a raffle on behalf of the organization;

4. A student group or organization or a parent-teacher association or organization for a public school to conduct raffles to raise funds for the benefit of a public school; or

5. A student group or organization or a parent-teacher association or organization for a private school for any grade levels from kindergarten through twelfth grade to conduct raffles to raise funds for the benefit of a private school.

C. As used in this section:

1. "Nonprofit organization" or "organization" means any religious, charitable, labor, fraternal, educational, or other type of association or any branch, lodge, chapter or auxiliary of such an association which:

a. operates without profit to its members,

b. has been in existence and been operating as a nonprofit organization for not less than two (2) years prior to conducting a raffle,

c. is tax exempt pursuant to the provisions of paragraph (3), (4), (5), (6), (7), (8), (9), (10), or (19) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, and

d. has formulated bylaws which identify and establish:

(1) the method of electing officers,

(2) the duties of officers,

(3) the method by which members are elected, initiated or admitted,

(4) the rights and privileges of each member,

(5) that each member has one vote, and

(6) that membership rights are personal to the member and not assignable; and

2. "Raffle" means an enterprise in which participants buy or make a donation, in a stated amount, for numbered tickets for the chance of winning a prize. The winning ticket stub is drawn or chosen by random drawing. The holder of the ticket corresponding to the chosen ticket stub wins the prize.

SECTION 2. This act shall become effective July 1, 1999.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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