

REFERENCE TITLE: raffles; nonprofits; length of existence

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# **SB 1066**

Introduced by  
Senator Shope: Representative Jermaine

AN ACT

AMENDING SECTION 13-3302, ARIZONA REVISED STATUTES; RELATING TO GAMBLING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 13-3302, Arizona Revised Statutes, is amended to  
3 read:

4 13-3302. Exclusions

5 A. The following conduct is not unlawful under this chapter:

6 1. Amusement gambling.

7 2. Social gambling.

8 3. Regulated gambling if the gambling is conducted in accordance  
9 with the statutes, rules or orders governing the gambling.

10 4. Gambling that is conducted at state, county or district fairs  
11 and that complies with section 13-3301, paragraph 1, subdivision (d).

12 B. An organization that has qualified for an exemption from  
13 taxation of income under section 501 of the internal revenue code may  
14 conduct a raffle that is subject to the following restrictions:

15 1. The nonprofit organization shall maintain this status and no  
16 member, director, officer, employee or agent of the nonprofit organization  
17 may receive any direct or indirect pecuniary benefit other than being able  
18 to participate in the raffle on a basis equal to all other participants.

19 2. The nonprofit organization has been in existence continuously in  
20 this state for a ~~five-year~~ ONE-YEAR period immediately before conducting  
21 the raffle.

22 3. No person except a bona fide local member of the sponsoring  
23 organization may participate directly or indirectly in the management,  
24 sales or operation of the raffle.

25 4. Paragraph 1 or 3 of this subsection does not prohibit:

26 (a) A licensed general hospital, a licensed special hospital or a  
27 foundation established to support cardiovascular medical research that is  
28 exempt from taxation of income under section 501(c)(3) of the internal  
29 revenue code from contracting with an outside agent who participates in  
30 the management, sales or operation of the raffle if the proceeds of the  
31 raffle are used to fund medical research, graduate medical education or  
32 indigent care and the raffles are conducted ~~no~~ NOT more than three times  
33 per calendar year. The maximum fee for an outside agent shall not exceed  
34 fifteen percent of the net proceeds of the raffle.

35 (b) An entity that is exempt from taxation of income under section  
36 501(c)(3) of the internal revenue code and that has at least a twenty-year  
37 history of providing comprehensive services to prevent child abuse and to  
38 provide services and advocacy for victims of child abuse from contracting  
39 with an outside agent who participates in the management, sales or  
40 operation of the raffle if the proceeds of the raffle are used to provide  
41 comprehensive services to prevent child abuse and to provide services and  
42 advocacy for victims of child abuse and the raffles are conducted ~~no~~ NOT  
43 more than three times per calendar year. The maximum fee for an outside  
44 agent shall not exceed fifteen percent of the net proceeds of the raffle.

1 C. A state, county or local historical society designated by this  
2 state or a county, city or town to conduct a raffle may conduct the raffle  
3 subject to the following conditions:

4 1. A member, director, officer, employee or agent of the historical  
5 society may not receive any direct or indirect pecuniary benefit other  
6 than being able to participate in the raffle on a basis equal to all other  
7 participants.

8 2. The historical society must have been in existence continuously  
9 in this state for a five-year period immediately before conducting the  
10 raffle.

11 3. A person, except for a bona fide local member of the sponsoring  
12 historical society, may not participate directly or indirectly in the  
13 management, sales or operation of the raffle.

14 D. A nonprofit organization that is a booster club, a civic club or  
15 a political club or political organization that is formally affiliated  
16 with and recognized by a political party in this state may conduct a  
17 raffle that is subject to the following restrictions:

18 1. A member, director, officer, employee or agent of the club or  
19 organization may not receive any direct or indirect pecuniary benefit  
20 other than being able to participate in the raffle on a basis equal to all  
21 other participants.

22 2. A person, except for a bona fide local member of the sponsoring  
23 club or organization, may not participate directly or indirectly in the  
24 management, sales or operation of the raffle.

25 3. The maximum annual benefit that the club or organization  
26 receives for all raffles is ~~ten thousand dollars~~ \$10,000.

27 4. The club or organization is organized and operated exclusively  
28 for pleasure, recreation or other nonprofit purposes and no part of the  
29 club's or organization's net earnings inures to the personal benefit of  
30 any member, director, officer, employee or agent of the club or  
31 organization.