

## Exempt and Nonexempt Raffles at a Glance<sup>35</sup>

Nonprofit organizations which intend to conduct raffles may be required to register and file annual raffle financial reports with the Secretary of State. Whether registration is required depends on the types of raffles the organization conducts. For purposes of filing requirements, South Carolina law categorizes raffles as either exempt or nonexempt.

<b>EXEMPT AND NONEXEMPT RAFFLES AT A GLANCE</b>			
<b>REQUIREMENTS/RESTRICTIONS</b>	<b>EXEMPT RAFFLES</b>	<b>NONEXEMPT RAFFLES</b>	<b>NOTES</b>
Must file raffle registration form with Secretary of State.	No	Yes	An organization may conduct both exempt and nonexempt raffles if it registers with the Secretary of State.
Must file annual raffle financial report with Secretary of State.	No	Yes	If an organization conducts both exempt and nonexempt raffles, only nonexempt raffles must be included in the annual raffle financial report.
Restrictions on prize offerings	The prizes must be donated, noncash prize(s) valued at \$950.00 or less for the raffle event; -or- The raffle must be a fifty-fifty raffle in which the total proceeds do not exceed \$950.00.	Each individual prize must be valued at \$40,000.00 or less.  The total value of all prizes offered at a raffle event cannot exceed \$250,000.00.	For exempt fifty-fifty raffles, participants are limited to the members of the nonprofit organizations and their guests. This limitation does not apply to nonexempt fifty-fifty raffles.
Restrictions on number of raffles held	No more than one raffle every seven days.	Only four raffles per year.	
Must meet all of the statutory requirements for conducting raffles under §33-57-120(A).	Yes	Yes	These statutory requirements include: <ul style="list-style-type: none"> <li>• The nonprofit organization must be either a tax-exempt organization or a class, department or organization of an educational institution.</li> <li>• The nonprofit organization must be operated for one or more of the following purposes: religious; charitable; scientific; literary; educational; amateur sports (but not providing facilities or equipment); and prevention of cruelty to children or animals.</li> <li>• The nonprofit organization must be in compliance with the registration provisions of the Solicitation of Charitable Funds Act.</li> </ul>

<sup>35</sup> S.C. House of Representatives, House Legislative Oversight Committee, “Agency Presentation – Charities and Trademarks (October 28, 2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Secretary of State, Office of the,” and under “Meetings,” [https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/SecretaryofState/SoS%20presentation%20-%20Charities%20and%20Trademarks%20\(10.28.19\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/SecretaryofState/SoS%20presentation%20-%20Charities%20and%20Trademarks%20(10.28.19).pdf) (accessed November 27, 2019), slide 80-81. Hereinafter “Charities Presentation.”