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Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Craig and D. Thomas

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SUMMARY

- Authorizes online raffles and the sale of electronic raffle tickets in addition to paper.
- Clarifies that an organization that conducts a traditional raffle using paper tickets may accept electronic payments for tickets and may sell tickets by mail, over the internet, or by other remote means.
- Requires the operator or creator of an online raffle platform to obtain a bingo supply distributor or manufacturer license from the Attorney General, as applicable.
- Clarifies the definition of a “volunteer firefighter’s organization” for purposes of the Charitable Gaming Law to include an organization that is recognized by a joint fire district.
- Declares an emergency.

DETAILED ANALYSIS

Background – raffles as a form of charitable bingo

In Ohio, raffles are considered a type of bingo, which is restricted by the Ohio Constitution. The Constitution states that, “Except as otherwise provided in this section, lotteries, and the sale of lottery tickets, for any purpose whatever, shall forever be prohibited in this State.” That section then specifically permits three types of gambling: the state-run lottery to benefit education, bingo conducted by charitable organizations for charitable purposes, and casino gaming at four locations.¹

¹ Ohio Constitution, Article XV, Section 6. The Ohio Supreme Court has held that bingo is a type of “lottery” under the Constitution. *Ohio Boys Town, Inc. v. Brown*, 69 Ohio St.2d 1, 7 (1982).

Under Ohio's Charitable Gaming Law, a "raffle" is a form of bingo in which prizes are won by ticket purchasers whose ticket stubs or detachable sections are drawn from a receptacle containing the stubs or sections corresponding to all tickets sold for the raffle.² The Attorney General interprets the statute as requiring the use of physical tickets that are delivered to the purchasers, with detachable stubs used for the drawing. Under that reading, the law currently prohibits online raffles.

Unlike with other types of bingo, an organization does not need a license from the Attorney General to conduct a raffle that is not for profit. However, the organization must comply with certain requirements regarding the nature of the organization, the distribution of the proceeds, and recordkeeping. Continuing law allows the following types of organizations to conduct a raffle:

- A 501(c)(3) nonprofit organization (a traditional charity);
- A school district, community school, STEM school, college-preparatory boarding school, or chartered nonpublic school;
- A 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) nonprofit organization (for example, a social welfare organization, a chamber of commerce, a social club, or a veteran's or fraternal organization).

If an organization in the third category conducts a raffle, the law requires the organization to distribute at least 50% of the proceeds for a charitable purpose or to a federal, state, or local government agency.³

Online raffles under the bill

The bill modifies the existing definition of "raffle" to explicitly authorize the operation of online raffles and the sale of raffle tickets by remote means. The bill divides raffles into two categories and clarifies the procedures for each type:

1. A "traditional raffle" is a drawing conducted using only physical tickets. Tickets may be sold by mail, over the internet, or other remote means, so long as the raffle participant receives a physical raffle ticket before the drawing is held. A participant does not need to be physically present at the drawing to win a prize.
2. An "online raffle" is conducted using electronic representations of tickets via an "online raffle platform," which may be used to randomly select winning tickets from among the set of unique ticket identifiers associated with tickets sold for the online raffle. (To acknowledge this type of raffle, the bill removes references to a raffle being required to include a "drawing.") Both physical and electronic tickets may be sold for the same raffle,

² R.C. 2915.01(CC). An Ohio appeals court has interpreted this law as requiring that the winner of the raffle be determined at random only after all tickets are sold, which distinguishes a raffle from some other gambling games. *Ohio Veterans and Fraternal Charitable Coalition v. DeWine*, 2018-Ohio-4679 at P27 (10th Dist. Ct. App. 2018).

³ R.C. 2915.092.

which would be considered an online raffle. An online raffle participant is not required to be physically present at the drawing to win.

An “online raffle platform” is a website, application, or electronic service, and any associated equipment or software, used to conduct an online raffle. The bill includes an online raffle platform as a type of bingo supply, just as the law currently considers raffle tickets and devices for selecting or displaying raffle tickets as bingo supplies. Under continuing law, an organization may obtain bingo supplies only from a distributor licensed by the Attorney General, and a distributor may obtain bingo supplies only from a licensed manufacturer. As a result, the bill requires the operator or creator of an online raffle platform to apply to the Attorney General for a distributor or manufacturer license, as applicable.

However, under the bill, the operator of an online raffle platform is not considered a bingo game operator. Under continuing law, a person who sells raffle tickets at the site of the raffle or who selects and announces the winning numbers is a bingo game operator. A bingo game operator must be at least 18 and must not have been convicted of a felony or a gambling offense.

Finally, the bill excludes an online raffle platform from being considered an electronic device used to operate illegal gambling, similar to the current exemption for electronic instant bingo systems.⁴

Volunteer firefighter’s organizations

The bill also clarifies the definition of a “volunteer firefighter’s organization” for purposes of the Charitable Gaming Law to include an organization that is recognized by a joint fire district, instead of only one that is recognized by a county, municipal corporation, or township. Under continuing law, a volunteer firefighter’s organization is included as a type of charitable organization that may conduct bingo and raffles.⁵

Emergency clause

The bill declares an emergency, meaning that it takes effect immediately.⁶

HISTORY

Action	Date
Introduced	09-29-25

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⁴ R.C. 2915.01 and 2915.092 and conforming change in R.C. 2915.14. See also R.C. 2915.081, 2915.082, and 2915.11, not in the bill.

⁵ R.C. 2915.01(H) and (K).

⁶ Section 3 of the bill.