

S. 256 (after 2nd reading in the Senate)
Senators Cleary, McConnell, Hutto, and Rose
CHARITABLE RAFFLES JOINT RESOLUTION SUMMARY

SUMMARY:

This joint resolution would amend the state constitution to allow qualified charitable, religious, and other non-profit organizations to operate raffles for charitable purposes. It would provide that, if the General Assembly enacted laws to regulate the conduct and operation of charitable raffles, as well as provide penalties for any violation of such laws, then raffles conducted pursuant to these laws would not be considered constitutionally prohibited lotteries. This joint resolution was amended on 2nd reading in the Senate so that, in the event that the General Assembly did not enact implementing laws, charitable raffles would still be constitutionally prohibited.

This joint resolution would change existing law by providing another exception to the state constitution's prohibition of lotteries. Currently, the only exceptions in the constitution allow charities to hold bingo games and allow the state to conduct the educational lottery.

BACKGROUND INFORMATION

Currently, 46 states allow charitable raffles. Only Utah, Hawaii, Kansas, and South Carolina do not allow charities to conduct raffles.

The constitutional prohibition against lotteries was amended in 1974 to allow charities to use bingo games as fundraisers. The constitution was again amended in 2001 to authorize only the State to conduct a lottery, thereby retaining its proscription against any lotteries conducted by private entities. The 2001 change retained the provision exempting charitable bingo games from the category of "lottery," but the amendment did not include any provision exempting charitable raffles, poker runs, or casino nights conducted by non-profit organizations for charitable purposes.

Attorney General opinions have consistently opined that raffles are lotteries because raffles contain the 3 elements of a lottery: (1) a prize is offered; (2) there is payment of some consideration for the raffle ticket; and (3) the winner is determined by chance. Other opinions have also held that "casino nights" and "poker runs" constitute a lottery and are illegal under SC law. The AG opinions have also opined that the fact that these events are conducted by a non-profit entity for a charitable purpose would not change this conclusion, and that an amendment to the state constitution is necessary to exempt these types of games from the anti-lottery constitutional provision and the laws penalizing those who establish and operate lotteries. Currently, those laws, S.C. Code Ann. §§ 16-19-10, 16-19-20, and 16-19-30, authorize penalties of a fine of \$1000 and 12 months in prison for establishing and setting up an illegal lottery, a fine of \$100 for buying an illegal lottery ticket, and fines of up to \$10,000 for selling an illegal lottery ticket.