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MEMORANDUM

TO: Colleen Ostiguy

FROM: Harter Secrest & Emery LLP

DATE: July 3, 2013

RE: New York State Women, Inc. Raffle Question

The question posed was whether New York State Women, Inc. qualifies under New York law to operate a raffle.

The New York State General Municipal Law (“GML”), Section 186.3-b defines raffles as “those games of chance in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designed on the ticket or receipt, determined by chance as the result of a drawing from among those tickets or receipts previously sold.”

GML §190-a allows “authorized organizations” to conduct raffles in New York State. In order to qualify as an authorized organization, an organization must meet the following criteria (see GML §186.4-5):

1. The organization must qualify as (a) a religious or charitable organization, (b) an educational, fraternal or service organization, or (c) an organization of veterans or volunteer fireman.
2. The organization must, by charter, certificate of incorporation, constitution, or act of the legislature have among its dominant purposes one of the following four purposes: (a) benefit needy or deserving persons (e.g. enhancing opportunity for educational advancement, relieving from disease, etc.), (b) initiate, perform or foster worthy public works, (c) lessen the burdens borne by government (e.g. volunteer firemen’s activities), or (d) initiate, perform or foster the provision of services to veterans.
3. The organization must have served one of the purposes outlined in item 2 for at least three years prior to applying for a license (GML §186.4) or being granted the filing requirement exemption for raffles (GML §190-a).
4. The organization must devote at least 75% of its activities to programs other than conducting games of chance.

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New York State Women, Inc. is classified as being akin to a trade organization, which is not one of the charitable or educational organizations outlined in item 1 above. Further, even if the organization did meet item 1, its dominant purpose is not one of those listed in item 2. Therefore, New York State Women, Inc. does not qualify as an authorized organization as defined by the GML, and may not operate raffles in New York State.

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