TIM GRIFFIN
ATTORNEY GENERAL

Opinion No. 2025-022

August 15, 2025

Ms. Sonia Fonticiella
Prosecuting Attorney, Second Judicial District
Post Office Box 49
Marion, Arkansas 72364

Dear Ms. Fonticiella:

I am writing in response to your request for my opinion on whether a 501(c)(3) nonprofit organization may donate college football tickets as door prizes at a fundraising event without "infringing Arkansas law."[1]

RESPONSE

Under facts you have provided, the answer to your question depends on whether someone must pay or give other consideration specifically to have a chance to win the prize.

DISCUSSION

Generally, "gambling" and "gaming" are prohibited in Arkansas. Although neither word is defined by statute, the Arkansas Supreme Court uses these words interchangeably and has defined them as "the risking of money between two or more persons, on a contest or chance of any kind, where one must be loser and the other gainer."[2]

But specific types of "gambling" or "gaming" are exempt and authorized in limited circumstances: bingo and raffles conducted by certain licensed entities;[3] the Scholarship Lottery conducted by the

[1] For purposes of this opinion, I will assume that "infringing Arkansas law" concerns the various applicable gambling laws.

[2] *Sharp v. State*, 350 Ark. 529, 534, 88 S.W.3d 848, 851–52 (2002) (quoting *Portis v. State*, 27 Ark. 360, 362 (1872)); *see also* Ark. Att'y Gen. Ops. 2016-073 ("[A]bsent the risking of money or other valuable property in the outcome of a contest, there is no gambling."), 2009-123 (opining that the phrase "the risking of money" means that "the key component of gambling is betting").

[3] *See* Ark. Const. amend. 84, § 1; A.C.A. §§ 23-114-101 to -706.

State under the Scholarship Lottery Act;[4] and certain games conducted by authorized casinos under the Arkansas Casino Gaming Amendment of 2018.[5] Thus, a nonprofit could not offer a door prize that is a "lottery" or "casino game."

However, a nonprofit could offer a door prize that is a "raffle" if the nonprofit meets and complies with certain statutory requirements. Based on the information you submitted with your opinion request, I will focus on raffles and lotteries.

1. Lottery. Under the Arkansas Constitution, the only authorized lotteries are those conducted by the State under the Scholarship Lottery Act.[6] Consequently, a nonprofit cannot conduct a lottery. Door prizes at a fundraising event qualify as a "lottery" if each of the following requirements are met:[7] (1) consideration, whether directly or indirectly, is paid to participate; (2) the scheme in question "is controlled by chance such that winning is not influenced by the skill or judgment of those participating"; and (3) a prize is awarded. If each requirement is met, the door-prize scheme would be a lottery and, therefore, must be conducted by the State under the Scholarship Lottery Act.[8]

2. Raffles. While raffles are a type of lottery,[9] they are exempted under the Arkansas Constitution from the prohibition of lotteries discussed above, if they are conducted in a certain way.[10] When someone sells a ticket "to win a prize awarded through a random drawing," that is a "raffle."[11] Raffles do not "include any game played through the use of a machine or electronic device."[12] The Charitable Bingo and Raffles Enabling Act implements Amendment 84 (a constitutional initiative) to the Arkansas Constitution, authorizing raffles by an "authorized … [raffles] organization"[13]— if the net receipts over and above the actual cost of conducting the raffle are used only for

[4] *See* Ark. Const. art. 19, § 14; A.C.A. §§ 23-115-101 to -1101.

[5] *See* Ark. Const. amend. 100, §§ 1–11.

[6] Ark. Const. art. 19, § 14. Amendment 87 to the Arkansas Constitution and its enabling legislation, the Arkansas Scholarship Lottery Act, give the State its authority to offer lottery and instant ticket games.

[7] *See* Ark. Att'y Gen. Ops. 2016-073, 2007-247, 2005-217, 2002-240, 86-599. *See Cox v. Daniels*, 374 Ark. 437, 450, 288 S.W.3d 591, 600 (2008).

[8] Ark. Att'y Gen. Op. 2016-073.

[9] Ark. Att'y Gen. Op. 2004-091, 95-393 (noting that "a raffle, as commonly conducted, meets the definition of a 'lottery'").

[10] *See* Ark. Const. amend. 84, § 1.

[11] Ark. Const. amend. 84, § 1(a)(3); A.C.A. § 23-114-102(16)(A).

[12] A.C.A. § 23-114-102(16)(B).

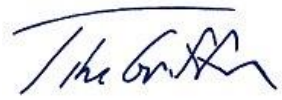
[13] *Id.* § 23-114-102.

charitable, religious, or philanthropic purposes.[14] An "authorized organization" is a certain "nonprofit tax-exempt" organization[15] that "has been in continuing existence as a nonprofit tax-exempt organization" in Arkansas for at least five years immediately prior to conducting" the raffle.[16]

3. Application. The application of the foregoing law to the situation you describe depends on some details that have not been conveyed to me. If, in the scenario you have in mind, no one pays any money specifically for a chance to win the tickets, then no one has engaged in the "risking of money" in a "contest" or "chance of any kind." Therefore, under that scenario, the chance to win the tickets would not qualify as "gambling" under the Arkansas Supreme Court's definition discussed above. That conclusion would still be correct even if the attendees at the event where the tickets were given away paid to attend. In that scenario, the attendees are paying to attend the event itself—not "risking" money for a chance to win something. But the conclusion would be different if the attendees paid some additional amount over and above their entrance fee for a chance to win the tickets. In that case, the additional amount paid *would be* "risking" money for a chance to win the tickets and would constitute gambling. If tickets are sold to win the football tickets through a random drawing, an organization holding the drawing could fall under the authorized type of gambling—a raffle—if they meet definition of "nonprofit tax-exempt organization" discussed above and follow the required steps for conducting a raffle. But whether the organization holding such a drawing meets the requirements for a raffle depends on facts that have not been conveyed to me.

Assistant Attorney General William R. Olson prepared this opinion, which I hereby approve.

Sincerely,



TIM GRIFFIN
Attorney General

[14] *Id.* § 23-114-103(a).

[15] *Id.* § 23-114-102(1)(A).

[16] A.C.A. § 23-114-102(1)(A).