

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

HOUSE BILL 1634

By: Representatives Hawk, M. Shepherd, Eubanks, Evans, Achor, Duffield, Brooks, Maddox, Ray, L. Johnson

By: Senators J. Dismang, Hester, J. Boyd, M. McKee

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW REGARDING RAFFLES; TO PROVIDE THAT THE CHARITABLE BINGO AND RAFFLES ENABLING ACT DOES NOT REGULATE CERTAIN RAFFLES CONDUCTED BY INSTITUTIONS OF HIGHER EDUCATION OR AFFILIATED NONPROFIT ORGANIZATIONS; TO ESTABLISH THE ARKANSAS SPORTS RAFFLE ACT; TO AMEND THE LAW REGARDING ALCOHOLIC BEVERAGES TO ADD THE ARKANSAS SPORTS RAFFLE ACT AS AN EXCEPTION TO VARIOUS PROHIBITED PRACTICES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO ESTABLISH THE ARKANSAS SPORTS RAFFLE ACT; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-114-103(c), concerning general provisions under the Charitable Bingo and Raffles Enabling Act, is amended to read as follows:

(c)(1) The provisions of this chapter are not intended and shall not be construed to allow the play of games of bingo or raffles through any electronic device or machine.

(2) This chapter shall not regulate, limit, or prohibit an institution of higher education or its affiliated nonprofit organization from conducting raffles for charitable, philanthropic, or educational purposes in accordance with the Arkansas Sports Raffle Act, § 23-120-101 et seq.



SECTION 2. Arkansas Code Title 23 is amended to add an additional chapter to read as follows:

CHAPTER 120  
ARKANSAS SPORTS RAFFLE ACT

23-120-101. Title.

This chapter shall be known and may be cited as the "Arkansas Sports Raffle Act".

23-120-102. Legislative findings.

The General Assembly finds that:

(1) It is in the public interest for an institution of higher education and its affiliated nonprofit organizations to conduct raffles for educational, charitable, or philanthropic purposes; and

(2) The use of raffle funds by an institution of higher education and its affiliated nonprofit organizations for the purposes provided in this chapter will support philanthropic purposes by:

(A) Raising the public image of the institution of higher education, which will attract more student-athletes and other students to the institution of higher education's educational programs;

(B) Supporting student-athletes and providing financial resources to advance the educational endeavors of the student-athletes; and

(C) Increasing the exposure of the institution of higher education to the public, which will attract additional financial support for academic programs at the institution of higher education.

23-120-103. Definitions.

As used in this chapter:

(1) "Affiliated nonprofit organization" means an organization established by or an authorized affiliate of an institution of higher education within the State of Arkansas that:

(A) Was created for the purpose of raising funds for the institution of higher education's collegiate athletic program;

(B) Has been approved for tax-exempt status under the

Internal Revenue Code, 26 U.S.C. § 501(c)(3), as in effect on January 1, 2025; and

(C) Has been in continuing existence as a nonprofit tax-exempt organization in the State of Arkansas at least five (5) years immediately prior to conducting a raffle;

(2) "Qualifying organization" means an institution of higher education within the State of Arkansas or an affiliated nonprofit organization; and

(3) "Raffle" means the selling of tickets or chances to win a prize awarded through a random drawing.

23-120-104. Conducting raffles.

(a) A qualifying organization is authorized to conduct a raffle under this chapter.

(b) A raffle conducted by a qualifying organization under this chapter:

(1) May be conducted on:

(A) A digital or electronic device;

(B) An online platform, website, or software application;

or

(C) Any premises owned, leased, or otherwise utilized by a qualifying organization; and

(2) Shall be:

(A) Based on an official game or sporting event between a qualifying organization's collegiate athletic team and an opposing institution of higher education's collegiate athletic team; and

(B) Limited to one (1) raffle per official game or sporting event.

(c) A qualifying organization conducting a raffle under this chapter:

(1) May determine what method of payment the qualifying organization will accept in exchange for a raffle ticket;

(2) Shall designate the prize amount or division of receipts of a raffle; and

(3) Shall publicly announce the prize amount or division of receipts of a raffle prior to the sale of the raffle ticket.

(d) A qualifying organization may utilize receipts from the raffle for

the following purposes:

- (1) Payment of prizes designated for the raffle;
  - (2) Payment of administrative costs, fees, or expenses to operate, conduct, advertise, and promote the raffle under this section;
  - (3) Purchase of software, technology, supplies, or equipment to operate, conduct, advertise, and promote the raffle under this section;
  - (4) Provision of scholarships, financial aid, stipends, or other compensation to a student-athlete attending the institution of higher education;
  - (5) Compensation of a student-athlete for the commercial use of his or her publicity rights in accordance with the Arkansas Student-Athlete Publicity Rights Act, § 4-75-1301 et seq.;
  - (6) General support of the institution of higher education's athletics teams or programs; and
  - (7) Purchase, maintenance, repair, debt service, or construction of the institution of higher education's collegiate athletic property, facilities, or equipment.
- (e) If a qualifying organization elects to allow credit cards as a method of payment under subsection (c) of this section, there shall be a cap of two hundred fifty dollars (\$250) per transaction.

23-120-105. Limitation on use of funds.

Receipts from a raffle shall not be used to compensate a person who works for or is affiliated with the qualifying organization that conducts the raffle.

23-120-106. Unclaimed raffle prizes.

A raffle prize that is unclaimed by a winner within one hundred twenty (120) days of the raffle shall be retained by the institution of higher education for which the raffle was conducted.

23-120-107. Restrictions.

(a) A person under eighteen (18) years of age shall not purchase a raffle ticket.

(b) A qualifying organization shall conduct reasonable age verification.

(c) A third party shall not conduct or otherwise administer a raffle on behalf of a qualifying organization.

(d) A raffle conducted under this chapter is governed by Arkansas Constitution, Amendment 84.

23-120-108. Rules.

The Secretary of the Department of Finance and Administration may promulgate rules for the enforcement of this chapter.

SECTION 3. Arkansas Code § 3-4-403(19)(B), concerning the exception from the Class A permit violation for conducting or permitting gambling on premises with an alcoholic beverage permit, is amended to read as follows:

(B) Conducting or permitting gambling under subdivision (19)(A) of this section does not include:

(i) Charitable bingo and raffles under the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq.; ~~or~~

(ii) A lottery under the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.; or

(iii) A raffle conducted under the Arkansas Sports Raffle Act, § 23-120-101 et seq.;

SECTION 4. Arkansas Code § 3-5-221(d)(1)(A)(ii), concerning exceptions to the crime of gambling on the premises of a holder of a beer and light wine license, is amended to read as follows:

(ii) Forms of gambling under subdivision (d)(1)(A)(i) of this section do not include:

(a) Charitable bingo and raffles under the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq.; ~~or~~

(b) A lottery under the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.; or

(c) A raffle conducted under the Arkansas Sports Raffle Act, § 23-120-101 et seq.;

SECTION 5. Arkansas Code § 3-5-307(5)(B), concerning exceptions to prohibited practices related to gambling on the premises of a holder of a beer retailer license, is amended to read as follows:

(B) Permitting gambling or games of chance under subdivision (5)(A) of this section does not include:

- (i) Charitable bingo and raffles under the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq.; ~~or~~
- (ii) A lottery under the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.; or
- (iii) A raffle conducted under the Arkansas Sports Raffle Act, § 23-120-101 et seq.;

SECTION 6. Arkansas Code § 3-9-236(15)(C), concerning exceptions to the crime of allowing gambling on the premises of a holder of a permit for on-premises consumption of alcohol, is amended to read as follows:

(C) A gambling or a gaming device, machine, or apparatus under subdivision (15)(A) of this section does not include:

- (i) Charitable bingo and raffles under the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq.; ~~or~~
- (ii) A lottery under the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.; or
- (iii) A raffle conducted under the Arkansas Sports Raffle Act, § 23-120-101 et seq.;

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that institutions of higher education and their affiliated nonprofit organizations are intertwined with economic development, the education of student-athletes, commerce, and other governmental interests that otherwise impact the State of Arkansas; that the current prohibitions on institutions of higher education and their affiliated nonprofit organizations from conducting raffles for educational, charitable, or philanthropic purposes hinder institutions of higher education and their student-athletes, which thereby hinder economic development, education, and commerce in the State of Arkansas; and that this act is immediately necessary to ensure that institutions of higher education and their affiliated nonprofit organizations can financially support their student-athletes and athletic programs, which will bolster economic development, education, and commerce in the State of Arkansas. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the

public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

**APPROVED: 3/18/25**