

CALIFORNIA DEPARTMENT OF JUSTICE

TITLE 11. LAW

DIVISION 1. ATTORNEY GENERAL

**CHAPTER 4.6. NONPROFIT RAFFLE PROGRAM REGULATIONS CHAPTER 9 OF
PART 1, TITLE 9, PENAL CODE (SECTION 320.5, PENAL CODE)**

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

§ 415. Registration.

Changes without regulatory effect. “During the annual registration period” is added after “Only one application is required during the annual registration period even if the organization conducts more than one raffle.” This addition does not materially alter the requirements, rights, responsibilities, conditions, or prescriptions contained in the original text. Rather, the new language confirms the DOJ’s existing procedures, which only require one Form CT-NRP-1 per year. “With the DOJ Nonprofit Raffle Program” is added after “An eligible organization is not registered.” This addition does not materially alter the requirements, rights, responsibilities, conditions, or prescriptions contained in the original text. Rather, the new language confirms that section 415 only governs registration with the Nonprofit Raffle Program.

§ 417. Time of Registration.

Changes without regulatory effect. Non-substantive grammatical corrections (e.g. changing “during” to “in” and “which is not registered” to “that did not register”) are made. “60 days before the date the raffle is held” is changed to “60 days before the date the raffle is to be held” because existing procedures require an organization to submit Form CT-NRP-1 no later than 60 days before the raffle is to be held.

§ 419.2. Denial, Revocation or Suspension of Registration.

Changes without regulatory effect. In subdivision (b), “issued” is changed to “accepted” to align with language used in section 422, which explains that an organization is registered after the DOJ approves the registration. In subdivision (c), “of registration” is added after “denial, revocation or suspension” to align with the language used in the title of section 419.2 and subdivision (a).

§ 420. Reporting Requirements.

Changes without regulatory effect. Non-substantive grammatical corrections (e.g., changing “on” to “using” and adding “and”) are made.

SUMMARY OF COMMENTS AND DEPARTMENT RESPONSES

Written comments received during the 45-day comment period are included in the rulemaking file under Exhibit 8.

Members of the public submitting written comments during the 45-day comment period, October 28, 2022 – December 13, 2022, identified in numbered order of receipt by the Department:

Written Commenter #	Name of Commenter	Affiliation
1	Robert Bird	N/A
2	Laurie Sweeney	N/A
3	Cheryl Hunter	Friends of Oceano Dunes
4	Jan Masaoka	The California Association of Nonprofits

Summaries of public comments and corresponding responses are organized by topic. The specific comments that are represented in the comment summary statement are listed after each comment summary by the commenter number as identified above followed by a dash and numbered comment when a commenter submitted more than one comment.

General

Summary: Asks if there has been any thought as to changing the regulations to allow for 50/50 raffles conducted by nonprofits not affiliated with National Sport teams rather than being limited by the 90/10 rule currently allowed by law. (Comment No. 1.)

Response: No change has been made in response to this comment. The Department cannot implement regulations that alter or amend a statute or enlarge or impair its scope. Penal Code section 320.6 only allows 50/50 raffles for nonprofits affiliated with national sports leagues.

Summary: There should be a threshold that exempts small nonprofits from having to comply with the reporting regulations. (Comment No. 2.)

Response: No change has been made in response to this comment. The Department cannot implement regulations that alter or amend a statute or enlarge or impair its scope. Penal Code section 320.5 requires reporting for all nonprofits that conduct a raffle and makes no exception for small nonprofits.

Summary: Asks when the proposed regulations will go into effect. (Comment No. 3.)

Response: No change has been made in response to this comment. Generally, regulations are effective on a quarterly basis (January 1, April 1, July 1, or October 1). (Gov. Code, §11343.4, subd. (a).) The Department has elected April 1, 2023, as the effective date so that the next annual registration deadline will be January 1, 2024.

§ 415. Registration.

Summary: Supports changing the annual registration period to the calendar year. (Comment No. 4.)

Response: The Department appreciates this comment of support. No change has been made in response to this comment.

Written comments received after the 45-day comment period are included in the rulemaking file under Exhibit 8.

Members of the public submitting written comments after the 45-day comment period, identified in numbered order of receipt by the Department:

Written Commenter #	Name of Commenter	Affiliation
5	Karen Verdugo	N/A

§ 415. Registration.

Summary: Supports changing the annual registration period to the calendar year. (Comment No. 5.)

Response: The Department appreciates this comment of support. No change has been made in response to this comment.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose any mandate on local agencies or school districts.

ALTERNATIVES DETERMINATIONS

In accordance with Government Code section 11346.9, subdivision (a)(4), the Department has determined that no alternative it considered, or that it otherwise identified, or was brought to its attention, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. Members of the public did not present any alternatives.

The Department has determined that the proposed regulations are the most effective way to supervise the Nonprofit Raffle Program. Revising the registration period to the calendar year will promote compliance and lessen confusion among applicants because January 1 is a common annual deadline. Members of the public supported changing the annual registration period to the calendar year.

The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES

The Department determines that the proposed regulations do not affect small businesses because nonprofits are exempt from the definition of “small business.” (Gov. Code, § 11342.610, subd. (b)(6).)

DOCUMENTS INCORPORATED BY REFERENCE

Application for Registration/Nonprofit Raffle Program (“Form CT-NRP-1” Rev. 08/2022): Sections 411 and 415.

Nonprofit Raffle Report (“Form CT-NRP-2” Rev. 08/2022): Sections 411 and 420.

The above forms are incorporated by reference because it would be cumbersome, unduly expensive, or otherwise impractical to publish the forms in the California Code of Regulations. During the rulemaking proceeding, the forms were made available upon request, and were available for viewing on the Department’s website.

NON-DUPLICATION

Some of the regulations may repeat or rephrase in whole or in part a state or federal statute or regulation. This was necessary to satisfy the clarity standard set forth in Government Code section 11349.1, subdivision (a)(3).