

SENATE, No. 1080

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1996

By Senator CIESLA

1 AN ACT concerning the eligibility of certain organizations to conduct
2 raffles and supplementing P.L.1954, c.5 (C.5:8-50 et seq.).

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. A nonprofit corporation organized under the laws of this State
8 for the sole purpose of making loans to students from a single New
9 Jersey school district to defray the costs of post-secondary education
10 shall be deemed to be a bona fide educational organization which is
11 eligible to conduct raffles and the net proceeds of such raffles shall be
12 deemed to be devoted to educational uses.

13

14 2. This act shall take effect immediately.

15

16

17

STATEMENT

18

19 The State Constitution provides that the Legislature, by law, may
20 authorize certain types of charitable and civic organizations to conduct
21 raffles. Among the groups which may hold raffles are bona fide
22 educational organizations when the net proceeds of such raffles are
23 devoted to educational uses. N.J. Const. Art. IV, Sec. VII, par. 2.
24 The Legalized Games of Chance Control Commission, which
25 administers the "Raffles Licensing Law," N.J.S.A.5:8-50 et seq.,
26 permits scholarship funds to hold raffles but has declined to recognize
27 nonprofit student loan funds as bona fide educational organizations
28 which are eligible to conduct raffles.

29

30 This bill would allow certain types of nonprofit student loan funds
31 to hold raffles. It provides that a nonprofit corporation organized for
32 the sole purpose of making loans to students from a single New Jersey
33 school district in order to defray the costs of post-secondary education
34 shall be deemed to be a bona fide educational organization which may
35 conduct raffles and that the net proceeds thereof shall be deemed to be
devoted to educational uses.

S1080

2

1

2

3 Permits certain nonprofit student loan funds to conduct raffles.