

1-1 By: Geren, et al. (Senate Sponsor - Fraser) H.B. No. 975
 1-2 (In the Senate - Received from the House April 20, 2015;
 1-3 April 23, 2015, read first time and referred to Committee on
 1-4 Natural Resources and Economic Development; April 30, 2015,
 1-5 reported favorably by the following vote: Yeas 7, Nays 2;
 1-6 April 30, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11		X		
1-12		X		
1-13	X			
1-14			X	
1-15			X	
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to charitable raffles conducted by certain professional
 1-23 sports team charitable foundations; creating a criminal offense.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Subtitle A, Title 13, Occupations Code, is
 1-26 amended by adding Chapter 2004 to read as follows:

1-27 CHAPTER 2004. PROFESSIONAL SPORTS TEAM CHARITABLE
 1-28 FOUNDATION RAFFLES

1-29 Sec. 2004.001. SHORT TITLE. This chapter may be cited as
 1-30 the Professional Sports Team Charitable Foundation Raffle Enabling
 1-31 Act.

1-32 Sec. 2004.002. DEFINITIONS. In this chapter:

1-33 (1) "Charitable purposes" has the meaning assigned by
 1-34 Section 2002.002.

1-35 (2) "Professional sports team" means a team organized
 1-36 in this state that is a member of Major League Baseball, the
 1-37 National Basketball Association, the National Hockey League, the
 1-38 National Football League, or Major League Soccer.

1-39 (3) "Professional sports team charitable foundation"
 1-40 means an organization that:

1-41 (A) holds a certificate of formation under the
 1-42 Business Organizations Code or is otherwise incorporated under the
 1-43 laws of this state;

1-44 (B) is associated with a professional sports
 1-45 team; and

1-46 (C) is formed for charitable purposes.

1-47 (4) "Raffle" has the meaning assigned by Section
 1-48 2002.002.

1-49 Sec. 2004.003. QUALIFICATIONS TO CONDUCT RAFFLE. A
 1-50 professional sports team charitable foundation is qualified to
 1-51 conduct charitable raffles under this chapter if the foundation:

1-52 (1) is associated with a professional sports team with
 1-53 a home venue located in this state;

1-54 (2) does not distribute any of its income to its
 1-55 members, officers, or governing body, other than as reasonable
 1-56 compensation for services;

1-57 (3) has existed for at least the three years preceding
 1-58 the conduct of a raffle under this chapter;

1-59 (4) does not devote a substantial part of its
 1-60 activities to attempting to influence legislation and does not
 1-61 participate or intervene in any political campaign on behalf of any

2-1 candidate for public office in any manner, including by publishing
 2-2 or distributing statements or making campaign contributions;
 2-3 (5) qualifies for and has obtained an exemption from
 2-4 federal income tax from the Internal Revenue Service as a
 2-5 charitable organization described in Section 501(c)(3), Internal
 2-6 Revenue Code of 1986; and
 2-7 (6) does not have or recognize any local chapter,
 2-8 affiliate, unit, or subsidiary organization in this state.
 2-9 Sec. 2004.004. RAFFLE AUTHORIZED; TICKET SALES. (a) A
 2-10 professional sports team charitable foundation that meets the
 2-11 qualifications under Section 2004.003 may conduct a charitable
 2-12 raffle during each preseason, regular season, and postseason game
 2-13 hosted at the home venue of the professional sports team associated
 2-14 with the foundation to provide revenue for the foundation's
 2-15 charitable purposes.
 2-16 (b) A professional sports team charitable foundation
 2-17 authorized to conduct a raffle under this section may award to a
 2-18 raffle winner selected by random draw a cash prize in an amount not
 2-19 to exceed 50 percent of the gross proceeds collected from the sale
 2-20 of raffle tickets.
 2-21 (c) Only employees or volunteers of the professional sports
 2-22 team charitable foundation or the professional sports team
 2-23 associated with the foundation may sell raffle tickets for a
 2-24 charitable raffle conducted under this chapter.
 2-25 (d) Only persons 18 years of age or older may purchase
 2-26 raffle tickets in a charitable raffle conducted under this chapter.
 2-27 Sec. 2004.005. TICKET DISCLOSURES. The following
 2-28 information must be printed on each raffle ticket sold or offered
 2-29 for sale under this chapter:
 2-30 (1) the name of the raffle for which the ticket is
 2-31 offered for sale and the sales station at which the ticket was
 2-32 purchased;
 2-33 (2) the date on which the random draw to determine the
 2-34 winner of the raffle will occur and the manner in which the winning
 2-35 ticket for the raffle will be announced;
 2-36 (3) the procedure and location for claiming a prize;
 2-37 (4) the time allowed for a prize winner to claim a
 2-38 prize; and
 2-39 (5) the logo of the professional sports team
 2-40 charitable foundation, the logo of the professional sports team
 2-41 associated with the foundation, or both.
 2-42 Sec. 2004.006. USE OF RAFFLE PROCEEDS. All proceeds from
 2-43 the sale of raffle tickets less the amounts deducted for reasonable
 2-44 operating expenses and cash prizes must be used for the charitable
 2-45 purposes of the professional sports team charitable foundation.
 2-46 Sec. 2004.007. REASONABLE OPERATING EXPENSES. (a) For each
 2-47 raffle conducted under this chapter, a professional sports team
 2-48 charitable foundation may deduct not more than 10 percent of the
 2-49 gross proceeds collected from the sale of tickets for the raffle to
 2-50 pay the reasonable operating expenses of conducting the raffle.
 2-51 (b) For purposes of this chapter, reasonable operating
 2-52 expenses include:
 2-53 (1) promotion, advertisements, charitable foundation
 2-54 fund-raising events, equipment, and administrative expenses; and
 2-55 (2) purchase, lease, or licensing fees for the
 2-56 equipment, hardware, and software necessary to:
 2-57 (A) sell raffle tickets to raffle participants;
 2-58 (B) conduct random drawings to select prize
 2-59 winners; and
 2-60 (C) continuously calculate the number of ticket
 2-61 sales, amount of money collected, amount of cash prize to be
 2-62 awarded, amount of money raised for charitable purposes, and amount
 2-63 of gross ticket sales that may be deducted for reasonable operating
 2-64 expenses.
 2-65 Sec. 2004.008. COMMUNICATION OF WINNING NUMBER. The
 2-66 winning number of a charitable raffle conducted under this chapter
 2-67 may not be communicated to raffle participants by means of
 2-68 interactive and instantaneous technology.
 2-69 Sec. 2004.009. CRIMINAL PENALTIES. (a) A person commits an

3-1 offense if the person accepts any form of payment other than United
 3-2 States currency for the purchase of a raffle ticket for a charitable
 3-3 raffle conducted under this chapter.

3-4 (b) A person commits an offense if the person sells or
 3-5 offers to sell a raffle ticket for a charitable raffle conducted
 3-6 under this chapter to an individual that the person knows to be
 3-7 younger than 18 years of age.

3-8 (c) A person commits an offense if the person purchases a
 3-9 raffle ticket for a charitable raffle conducted under this chapter
 3-10 with the proceeds of a check issued as a payment under the financial
 3-11 assistance program administered under Chapter 31, Human Resources
 3-12 Code.

3-13 (d) A person commits an offense if the person misrepresents
 3-14 the person's age or displays fraudulent evidence that the person is
 3-15 18 years of age or older in order to purchase a raffle ticket for a
 3-16 charitable raffle conducted under this chapter.

3-17 (e) An offense under this section is a Class C misdemeanor.

3-18 Sec. 2004.010. INJUNCTIVE ACTION AGAINST UNAUTHORIZED
 3-19 RAFFLE. (a) A county attorney, district attorney, criminal
 3-20 district attorney, or the attorney general may bring an action in
 3-21 county or district court for a permanent or temporary injunction or
 3-22 a temporary restraining order prohibiting conduct involving a
 3-23 raffle or similar procedure that:

3-24 (1) violates or threatens to violate state law
 3-25 relating to gambling; and

3-26 (2) is not authorized by this chapter, Chapter 2002,
 3-27 or other law.

3-28 (b) Venue for an action under this section is in the county
 3-29 in which the conduct occurs or in which a defendant in the action
 3-30 resides.

3-31 SECTION 2. Section 47.02(c), Penal Code, is amended to read
 3-32 as follows:

3-33 (c) It is a defense to prosecution under this section that
 3-34 the actor reasonably believed that the conduct:

3-35 (1) was permitted under Chapter 2001, Occupations
 3-36 Code;

3-37 (2) was permitted under Chapter 2002, Occupations
 3-38 Code;

3-39 (3) was permitted under Chapter 2004, Occupations
 3-40 Code;

3-41 (4) consisted entirely of participation in the state
 3-42 lottery authorized by the State Lottery Act (Chapter 466,
 3-43 Government Code);

3-44 (5) [~~4~~] was permitted under the Texas Racing Act
 3-45 (Article 179e, Vernon's Texas Civil Statutes); or

3-46 (6) [~~5~~] consisted entirely of participation in a
 3-47 drawing for the opportunity to participate in a hunting, fishing,
 3-48 or other recreational event conducted by the Parks and Wildlife
 3-49 Department.

3-50 SECTION 3. Section 47.09(a), Penal Code, is amended to read
 3-51 as follows:

3-52 (a) It is a defense to prosecution under this chapter that
 3-53 the conduct:

3-54 (1) was authorized under:

3-55 (A) Chapter 2001, Occupations Code;

3-56 (B) Chapter 2002, Occupations Code; [~~or~~]

3-57 (C) Chapter 2004, Occupations Code; or

3-58 (D) the Texas Racing Act (Article 179e, Vernon's
 3-59 Texas Civil Statutes);

3-60 (2) consisted entirely of participation in the state
 3-61 lottery authorized by Chapter 466, Government Code; or

3-62 (3) was a necessary incident to the operation of the
 3-63 state lottery and was directly or indirectly authorized by:

3-64 (A) Chapter 466, Government Code;

3-65 (B) the lottery division of the Texas Lottery
 3-66 Commission;

3-67 (C) the Texas Lottery Commission; or

3-68 (D) the director of the lottery division of the
 3-69 Texas Lottery Commission.

4-1 SECTION 4. This Act takes effect January 1, 2016, but only
4-2 if the constitutional amendment proposed by the 84th Legislature,
4-3 Regular Session, 2015, authorizing the legislature to permit
4-4 professional sports team charitable foundations to conduct
4-5 charitable raffles is approved by the voters. If that amendment is
4-6 not approved by the voters, this Act has no effect.

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