

1-1 By: Fraser S.B. No. 898  
1-2 (In the Senate - Filed March 3, 2015; March 9, 2015, read  
1-3 first time and referred to Committee on Natural Resources and  
1-4 Economic Development; April 1, 2015, reported favorably by the  
1-5 following vote: Yeas 7, Nays 3; April 1, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
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 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to charitable raffles conducted by certain professional  
1-22 sports team charitable foundations; providing penalties.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle A, Title 13, Occupations Code, is  
1-25 amended by adding Chapter 2004 to read as follows:

1-26 CHAPTER 2004. PROFESSIONAL SPORTS TEAM CHARITABLE  
1-27 FOUNDATION RAFFLES

1-28 Sec. 2004.001. SHORT TITLE. This chapter may be cited as  
1-29 the Professional Sports Team Charitable Foundation Raffle Enabling  
1-30 Act.

1-31 Sec. 2004.002. DEFINITIONS. In this chapter:

1-32 (1) "Charitable purposes" has the meaning assigned by  
1-33 Section 2002.002.

1-34 (2) "Professional sports team" means a team organized  
1-35 in this state that is a member of Major League Baseball, the  
1-36 National Basketball Association, the National Hockey League, the  
1-37 National Football League, or Major League Soccer.

1-38 (3) "Professional sports team charitable foundation"  
1-39 means an organization that:

1-40 (A) holds a certificate of formation under the  
1-41 Business Organizations Code or is otherwise incorporated under the  
1-42 laws of this state;

1-43 (B) is associated with a professional sports  
1-44 team; and

1-45 (C) is formed for charitable purposes.

1-46 (4) "Raffle" has the meaning assigned by Section  
1-47 2002.002.

1-48 Sec. 2004.003. QUALIFICATIONS TO CONDUCT RAFFLE. A  
1-49 professional sports team charitable foundation is qualified to  
1-50 conduct charitable raffles under this chapter if the foundation:

1-51 (1) is associated with a professional sports team with  
1-52 a home venue located in this state;

1-53 (2) does not distribute any of its income to its  
1-54 members, officers, or governing body, other than as reasonable  
1-55 compensation for services;

1-56 (3) has existed for at least the three years preceding  
1-57 the conduct of a raffle under this chapter;

1-58 (4) does not devote a substantial part of its  
1-59 activities to attempting to influence legislation and does not  
1-60 participate or intervene in any political campaign on behalf of any  
1-61 candidate for public office in any manner, including by publishing

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

3-1 under this chapter to an individual that the person knows to be  
 3-2 younger than 18 years of age.

3-3 (c) A person commits an offense if the person purchases a  
 3-4 raffle ticket for a charitable raffle conducted under this chapter  
 3-5 with the proceeds of a check issued as a payment under the financial  
 3-6 assistance program administered under Chapter 31, Human Resources  
 3-7 Code.

3-8 (d) A person commits an offense if the person misrepresents  
 3-9 the person's age or displays fraudulent evidence that the person is  
 3-10 18 years of age or older in order to purchase a raffle ticket for a  
 3-11 charitable raffle conducted under this chapter.

3-12 (e) An offense under this section is a Class C misdemeanor.

3-13 Sec. 2004.009. INJUNCTIVE ACTION AGAINST UNAUTHORIZED

3-14 RAFFLE. (a) A county attorney, district attorney, criminal  
 3-15 district attorney, or the attorney general may bring an action in  
 3-16 county or district court for a permanent or temporary injunction or  
 3-17 a temporary restraining order prohibiting conduct involving a  
 3-18 raffle or similar procedure that:

3-19 (1) violates or threatens to violate state law  
 3-20 relating to gambling; and

3-21 (2) is not authorized by this chapter, Chapter 2002,  
 3-22 or other law.

3-23 (b) Venue for an action under this section is in the county  
 3-24 in which the conduct occurs or in which a defendant in the action  
 3-25 resides.

3-26 SECTION 2. Section 47.02(c), Penal Code, is amended to read  
 3-27 as follows:

3-28 (c) It is a defense to prosecution under this section that  
 3-29 the actor reasonably believed that the conduct:

3-30 (1) was permitted under Chapter 2001, Occupations  
 3-31 Code;

3-32 (2) was permitted under Chapter 2002, Occupations  
 3-33 Code;

3-34 (3) was permitted under Chapter 2004, Occupations  
 3-35 Code;

3-36 (4) consisted entirely of participation in the state  
 3-37 lottery authorized by the State Lottery Act (Chapter 466,  
 3-38 Government Code);

3-39 (5) [~~4~~] was permitted under the Texas Racing Act  
 3-40 (Article 179e, Vernon's Texas Civil Statutes); or

3-41 (6) [~~5~~] consisted entirely of participation in a  
 3-42 drawing for the opportunity to participate in a hunting, fishing,  
 3-43 or other recreational event conducted by the Parks and Wildlife  
 3-44 Department.

3-45 SECTION 3. Section 47.09(a), Penal Code, is amended to read  
 3-46 as follows:

3-47 (a) It is a defense to prosecution under this chapter that  
 3-48 the conduct:

3-49 (1) was authorized under:

3-50 (A) Chapter 2001, Occupations Code;

3-51 (B) Chapter 2002, Occupations Code; [~~or~~]

3-52 (C) Chapter 2004, Occupations Code; or

3-53 (D) the Texas Racing Act (Article 179e, Vernon's  
 3-54 Texas Civil Statutes);

3-55 (2) consisted entirely of participation in the state  
 3-56 lottery authorized by Chapter 466, Government Code; or

3-57 (3) was a necessary incident to the operation of the  
 3-58 state lottery and was directly or indirectly authorized by:

3-59 (A) Chapter 466, Government Code;

3-60 (B) the lottery division of the Texas Lottery  
 3-61 Commission;

3-62 (C) the Texas Lottery Commission; or

3-63 (D) the director of the lottery division of the  
 3-64 Texas Lottery Commission.

3-65 SECTION 4. This Act takes effect January 1, 2016, but only  
 3-66 if the constitutional amendment proposed by the 84th Legislature,  
 3-67 Regular Session, 2015, authorizing the legislature to permit  
 3-68 professional sports team charitable foundations to conduct  
 3-69 charitable raffles is approved by the voters. If that amendment is

4-1 not approved by the voters, this Act has no effect.

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