

By: Alvarado

S.B. No. 2239

A BILL TO BE ENTITLED

AN ACT

relating to charitable raffles conducted by certain intercollegiate athletics teams; creating criminal offenses.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. This Act may be cited as the Intercollegiate Athletics Team Charitable Raffle Enabling Act.

SECTION 2. Subtitle A, Title 13, Occupations Code, is amended by adding Chapter 2005 to read as follows:

CHAPTER 2005. INTERCOLLEGIATE ATHLETICS TEAMS

CHARITABLE RAFFLES

Sec. 2005.001. DEFINITIONS. In this chapter:

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

(2) "Intercollegiate athletics team" means an athletics team that competes on behalf of a general academic teaching institution or private or independent institution of higher education, as those terms are defined by Section 61.003, Education Code.

(3) "Raffle" has the meaning assigned by Section 2002.002.

Sec. 2005.002. QUALIFICATIONS TO CONDUCT RAFFLE. An intercollegiate athletics team is qualified to conduct charitable raffles under this chapter if the team:

(1) is associated with a home venue located in this

1 state;

2 (2) does not distribute any of its income to its  
3 members, officers, or governing body, other than as reasonable  
4 compensation for services;

5 (3) has existed for at least the three years preceding  
6 the conduct of a raffle under this chapter;

7 (4) does not devote a substantial part of its  
8 activities to attempting to influence legislation and does not  
9 participate or intervene in any political campaign on behalf of any  
10 candidate for public office in any manner, including by publishing  
11 or distributing statements or making campaign contributions; and

12 (5) qualifies for and has obtained an exemption from  
13 federal income tax from the Internal Revenue Service as a  
14 charitable organization described in Section 501(c)(3), Internal  
15 Revenue Code of 1986.

16 Sec. 2005.003. RAFFLE AUTHORIZED; TICKET SALES. (a) An  
17 intercollegiate athletics team that meets the qualifications under  
18 Section 2005.002 may conduct a charitable raffle during each game  
19 hosted at the intercollegiate athletics team's home venue to  
20 provide revenue for charitable purposes for:

21 (1) intercollegiate athletics teams; and

22 (2) mental health services at the intercollegiate  
23 athletics team's institution.

24 (b) Raffle tickets for a charitable raffle conducted under  
25 Subsection (a) may be sold:

26 (1) at the home venue of the intercollegiate athletics  
27 team conducting the raffle; or

1           (2) through digital interactive media, including an  
2 Internet website of or mobile application provided by the  
3 intercollegiate athletics team conducting the raffle.

4           (c) Raffle tickets for a charitable raffle conducted under  
5 Subsection (a) may be sold only during the period beginning when the  
6 venue opens to attendees of the game and ending when the draw to  
7 determine the prize winners for the raffle concludes.

8           (d) Raffle tickets sold under Subsection (b)(2) may only be  
9 sold to individuals who at the time of the sale are physically  
10 located within the home venue of the intercollegiate athletics team  
11 associated with the foundation conducting the raffle.

12           (e) Subsection (b)(2) does not authorize the use of an  
13 Internet website or mobile application to provide a graphic or  
14 dynamic animation that corresponds to the outcome of a winning or  
15 losing raffle ticket.

16           (f) An intercollegiate athletics team authorized to conduct  
17 a raffle under this section may award to a raffle winner selected by  
18 random draw a cash prize in an amount not to exceed 50 percent of the  
19 gross proceeds collected from the sale of raffle tickets.

20           (g) Only employees or volunteers of the intercollegiate  
21 athletics team or of the intercollegiate athletics team's  
22 institution may sell raffle tickets for a charitable raffle  
23 conducted under this chapter.

24           (h) Only persons 18 years of age or older may purchase  
25 raffle tickets in a charitable raffle conducted under this chapter.  
26 An intercollegiate athletics team that conducts a charitable raffle  
27 under Subsection (a) shall contract with a third-party vendor to

ensure only persons 18 years of age or older purchase tickets for the raffle.

Sec. 2005.004. TICKET DISCLOSURES. The following information must be printed on each raffle ticket sold or offered for sale under this chapter:

(1) the name of the raffle for which the ticket is offered for sale and the sales station at which the ticket was purchased;

(2) the date on which the random draw to determine the winner of the raffle will occur and the manner in which the winning ticket for the raffle will be announced;

(3) the procedure and location for claiming a prize;

(4) the time allowed for a prize winner to claim a prize; and

(5) the logo of the intercollegiate athletics team, the logo of the intercollegiate athletics team's institution, or both.

Sec. 2005.005. USE OF RAFFLE PROCEEDS. All proceeds from the sale of raffle tickets less the amounts deducted for reasonable operating expenses and cash prizes must be allocated as follows:

(1) at least 20 percent of the proceeds for mental health services at the intercollegiate athletics team's institution; and

(2) the remainder for the charitable purposes of the intercollegiate athletics team or the intercollegiate athletics team's institution.

Sec. 2005.006. REASONABLE OPERATING EXPENSES. (a) For each

raffle conducted under this chapter, an intercollegiate athletics team may deduct not more than 10 percent of the gross proceeds collected from the sale of raffle tickets to pay the reasonable operating expenses of conducting the raffle.

(b) For purposes of this chapter, reasonable operating expenses include:

(1) promotion, advertisements, charitable foundation fund-raising events, equipment, and administrative expenses; and

(2) purchase, lease, or licensing fees for the equipment, hardware, and software necessary to:

(A) sell raffle tickets to raffle participants;

(B) conduct random drawings to select prize winners; and

(C) continuously calculate the number of ticket sales, amount of money collected, amount of cash prize to be awarded, amount of money raised for charitable purposes, and amount of gross ticket sales that may be deducted for reasonable operating expenses.

Sec. 2005.007. COMMUNICATION OF WINNING NUMBER. The winning number of a charitable raffle conducted under this chapter may not be communicated to raffle participants by means of interactive and instantaneous technology.

Sec. 2005.008. CRIMINAL OFFENSES. (a) A person commits an offense if the person sells or offers to sell a raffle ticket for a charitable raffle conducted under this chapter to an individual that the person knows to be younger than 18 years of age.

(b) A person commits an offense if the person purchases a

raffle ticket for a charitable raffle conducted under this chapter with the proceeds of a check issued as a payment under the financial assistance program administered under Chapter 31, Human Resources Code.

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

(d) An offense under this section is a Class C misdemeanor.

Sec. 2005.009. INJUNCTION AGAINST UNAUTHORIZED RAFFLE. (a) A county attorney, district attorney, criminal district attorney, or the attorney general may bring an action in county or district court for a permanent or temporary injunction or a temporary restraining order prohibiting conduct involving a raffle or similar procedure that:

(1) violates or threatens to violate state law relating to gambling; and

(2) is not authorized by this chapter, Chapter 2002, Chapter 2004, or other law.

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

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

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

(1) was permitted under Chapter 2001, Occupations

1 Code;

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

4 (3) was permitted under Chapter 2004, Occupations  
5 Code;

6 (4) was permitted under Chapter 2005, Occupations  
7 Code;

8 (5) consisted entirely of participation in the state  
9 lottery authorized by the State Lottery Act (Chapter 466,  
10 Government Code);

11 (6) [~~5~~] was permitted under Subtitle A-1, Title 13,  
12 Occupations Code (Texas Racing Act); or

13 (7) [~~6~~] consisted entirely of participation in a  
14 drawing for the opportunity to participate in a hunting, fishing,  
15 or other recreational event conducted by the Parks and Wildlife  
16 Department.

17 SECTION 4. Section 47.09(a), Penal Code, is amended to read  
18 as follows:

19 (a) It is a defense to prosecution under this chapter that  
20 the conduct:

21 (1) was authorized under:

22 (A) Chapter 2001, Occupations Code;

23 (B) Chapter 2002, Occupations Code;

24 (C) Chapter 2004, Occupations Code;

25 (D) Chapter 2005, Occupations Code;

26 (E) Subtitle A-1, Title 13, Occupations Code  
27 (Texas Racing Act); or

1                    (F) [~~(E)~~] Chapter 280, Finance Code;

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

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

6                    (A) Chapter 466, Government Code;

7                    (B) the lottery division of the Texas Lottery  
8 Commission;

9                    (C) the Texas Lottery Commission; or

10                    (D) the director of the lottery division of the  
11 Texas Lottery Commission.

12                    SECTION 5. This Act takes effect January 1, 2026, but only  
13 if the constitutional amendment proposed by the 89th Legislature,  
14 Regular Session, 2025, authorizing the legislature to permit  
15 intercollegiate athletics teams to conduct charitable raffles is  
16 approved by the voters. If that amendment is not approved by the  
17 voters, this Act has no effect.