

By: Chisum

H.B. No. 175

A BILL TO BE ENTITLED

AN ACT

1
2 relating to allowing a lodge or other local organization affiliated
3 with a grand lodge or similar charitable or benevolent institution
4 or order incorporated under state law to hold a charitable raffle.

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

6 SECTION 1. Section 2002.003, Occupations Code, is amended
7 by adding Subsection (b-1) to read as follows:

8 (b-1) An organization that is formally recognized as and
9 that operates as a local chapter, affiliate, unit, or subordinate
10 lodge of a grand lodge or other institution or order incorporated
11 under Title 32, Revised Statutes, as authorized by Article 1399,
12 Revised Statutes, is a qualified nonprofit organization if:

13 (1) neither the local organization nor the
14 incorporated grand lodge or other institution or order distributes
15 any of its income to its members, officers, or governing body, other
16 than as reasonable compensation for services;

17 (2) the local organization has existed for the three
18 preceding years and during those years:

19 (A) has had a governing body or officers elected
20 by a vote of its members or by a vote of delegates elected by its
21 members; or

22 (B) has been formally recognized as a local
23 chapter, affiliate, unit, or subordinate lodge of the grand lodge
24 or other institution or order;

1 (3) neither the local organization nor the
2 incorporated grand lodge or other institution or order:

3 (A) devotes a substantial part of its activities
4 to attempting to influence legislation; or

5 (B) participates or intervenes in any political
6 campaign on behalf of any candidate for public office in any manner,
7 including by publishing or distributing statements or making
8 campaign contributions; and

9 (4) either the local organization or the incorporated
10 grand lodge or other institution or order qualifies for and has
11 obtained an exemption from federal income tax from the Internal
12 Revenue Service under Section 501(c), Internal Revenue Code of
13 1986, or other applicable provision.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2005.