

By: Krusee

H.B. No. 541

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the types of nonprofit organizations that may conduct
3 raffles.

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

5 SECTION 1. Section 2002.003(a), Occupations Code, is
6 amended to read as follows:

7 (a) An organization incorporated or holding a certificate
8 of authority under the Texas Non-Profit Corporation Act (Article
9 1396-1.01 et seq., Vernon's Texas Civil Statutes) is a qualified
10 nonprofit organization for the purposes of this chapter if the
11 organization:

12 (1) does not distribute any of its income to its
13 members, officers, or governing body, other than as reasonable
14 compensation for services;

15 (2) has existed for the three preceding years [~~and~~
16 ~~during those years has had a governing body or officers elected by a~~
17 ~~vote of its members or by a vote of delegates elected by its~~
18 ~~members~~];

19 (3) does not devote a substantial part of its
20 activities to attempting to influence legislation and does not
21 participate or intervene in any political campaign on behalf of any
22 candidate for public office in any manner, including by publishing
23 or distributing statements or making campaign contributions;

24 (4) qualifies for and has obtained an exemption from

1 federal income tax from the Internal Revenue Service under Section
2 501(c), Internal Revenue Code of 1986; and

3 (5) does not have or recognize any local chapter,
4 affiliate, unit, or subsidiary organization in this state.

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