

AN ACT

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

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

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

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

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

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

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

(B) has been formally recognized as a local chapter, affiliate, unit, or subordinate lodge of the grand lodge 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.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 766 passed the Senate on April 7, 2005, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 766 passed the House on April 29, 2005, by the following vote: Yeas 142, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor