

1-1 By: Wentworth S.B. No. 766  
1-2 (In the Senate - Filed February 25, 2005; March 10, 2005,  
1-3 read first time and referred to Committee on State Affairs;  
1-4 March 22, 2005, reported favorably by the following vote: Yeas 8,  
1-5 Nays 0; March 22, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to allowing a lodge or other local organization affiliated  
1-9 with a grand lodge or similar charitable or benevolent institution  
1-10 or order incorporated under state law to hold a charitable raffle.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 2002.003, Occupations Code, is amended  
1-13 by adding Subsection (b-1) to read as follows:

1-14 (b-1) An organization that is formally recognized as and  
1-15 that operates as a local chapter, affiliate, unit, or subordinate  
1-16 lodge of a grand lodge or other institution or order incorporated  
1-17 under Title 32, Revised Statutes, as authorized by Article 1399,  
1-18 Revised Statutes, is a qualified nonprofit organization if:

1-19 (1) neither the local organization nor the  
1-20 incorporated grand lodge or other institution or order distributes  
1-21 any of its income to its members, officers, or governing body, other  
1-22 than as reasonable compensation for services;

1-23 (2) the local organization has existed for the three  
1-24 preceding years and during those years:

1-25 (A) has had a governing body or officers elected  
1-26 by a vote of its members or by a vote of delegates elected by its  
1-27 members; or

1-28 (B) has been formally recognized as a local  
1-29 chapter, affiliate, unit, or subordinate lodge of the grand lodge  
1-30 or other institution or order;

1-31 (3) neither the local organization nor the  
1-32 incorporated grand lodge or other institution or order:

1-33 (A) devotes a substantial part of its activities  
1-34 to attempting to influence legislation; or

1-35 (B) participates or intervenes in any political  
1-36 campaign on behalf of any candidate for public office in any manner,  
1-37 including by publishing or distributing statements or making  
1-38 campaign contributions; and

1-39 (4) either the local organization or the incorporated  
1-40 grand lodge or other institution or order qualifies for and has  
1-41 obtained an exemption from federal income tax from the Internal  
1-42 Revenue Service under Section 501(c), Internal Revenue Code of  
1-43 1986, or other applicable provision.

1-44 SECTION 2. This Act takes effect immediately if it receives  
1-45 a vote of two-thirds of all the members elected to each house, as  
1-46 provided by Section 39, Article III, Texas Constitution. If this  
1-47 Act does not receive the vote necessary for immediate effect, this  
1-48 Act takes effect September 1, 2005.

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