

By: Hinojosa

S.B. No. 1552

A BILL TO BE ENTITLED

AN ACT

relating to allowing qualified organizations to conduct raffles using stored value cards and video displays.

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

SECTION 1. Section 2002.054, Occupations Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) The organization may not:

(1) directly or indirectly, by the use of paid advertising, promote a raffle through a medium of mass communication, including television, radio, or newspaper, except:

(A) in an area that consists of all or part of not more than two metropolitan statistical areas as identified by the United States Census Bureau; or

(B) in an area that includes any part of more than 20 counties if the area does not include a metropolitan statistical area;

(2) promote or advertise a raffle statewide; or

(3) sell or offer to sell tickets for a raffle statewide.

(b) Except as provided by Subsection (d) and Section 2002.060, the [The] organization may not compensate a person directly or indirectly for organizing or conducting a raffle or for selling or offering to sell tickets to a raffle.

1 (d) A qualified organization that conducts a raffle at a
2 bingo premises may pay to each licensed authorized organization
3 conducting bingo at the bingo premises a rental fee for the use of
4 the premises, which may be equal to a percentage of the proceeds of
5 the raffle.

6 SECTION 2. Section 2002.056(d), Occupations Code, is
7 amended to read as follows:

8 (d) A raffle is not authorized by this chapter unless the
9 organization:

10 (1) has the prize to be offered in the raffle in its
11 possession or ownership; ~~[or]~~

12 (2) posts bond with the county clerk of the county in
13 which the raffle is to be held for the full amount of the money value
14 of the prize; or

15 (3) demonstrates in a written document made available
16 to each person who participates in the raffle that the organization
17 or its agent has on deposit with a financial institution in this
18 state an amount equal to at least 50 percent of the outstanding
19 value of raffle prizes offered at any time by the organization.

20 SECTION 3. Subchapter B, Chapter 2002, Occupations Code, is
21 amended by adding Sections 2002.060 and 2002.061 to read as
22 follows:

23 Sec. 2002.060. STORED VALUE CARDS. (a) A qualified
24 organization may conduct a raffle using stored value cards to
25 account for the cost of tickets purchased by a participant and the
26 value of prizes awarded to the participant.

27 (b) A stored value card used in a raffle must:

1 (1) serve as evidence of a promise made by the
2 qualified organization that issued the card that the organization
3 will provide to the card owner goods or services with a value equal
4 to the amount of value stored on the card;

5 (2) be prefunded and allow for the redemption of the
6 amount of value stored on the card;

7 (3) be issued in the name of the card owner;

8 (4) not be capable of being exchanged for money;

9 (5) be capable of tracking the owner's usage of the
10 card;

11 (6) be issued by a financial institution, as defined
12 in Section 201.101, Finance Code; and

13 (7) be issued and activated at the location where the
14 raffle prize will be awarded.

15 (c) A financial institution is liable for the amount of
16 value stored on each stored value card used in conducting a raffle.

17 (d) A qualified organization may not issue a stored value
18 card to a person unless the person:

19 (1) presents a valid government-issued identification
20 card or document that is immediately verified under applicable
21 federal law by the organization; and

22 (2) complies with all state and federal laws governing
23 the issuance of the card.

24 (e) A qualified organization may pay ordinary and necessary
25 consideration to a person that provides raffle services requiring
26 the purchase or use of stored value cards for the equipment
27 necessary to utilize stored value cards in conducting a raffle.

1 Sec. 2002.061. VIDEO DISPLAY. A qualified organization may
2 conduct a raffle using a video display to represent the purchase of
3 a ticket by a participant and the award of a prize to a participant.
4 A raffle conducted using a video display may be held only at a bingo
5 premises, as defined by Section 2001.002(22), during one or more
6 bingo occasions at those premises.

7 SECTION 4. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2007.