

BILL ANALYSIS

C.S.H.B. 4533
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Nonprofit organizations are constantly trying to think of new ways to raise funds for charitable purposes. Card games, such as poker and black jack are very entertaining and popular interests that can be used for the greater good by attracting individuals to participate in events to raise funds for charitable causes.

C.S.H.B. 4533 authorizes a qualified nonprofit organization to conduct, promote, and administer a charitable poker run and requires the proceeds from a poker run to be used for the charitable purposes of the organization or of another qualified charitable organization to which the proceeds are donated.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4533 amends the Occupations Code to authorize a qualified nonprofit organization to conduct a charitable poker run in accordance with the bill's provisions and requires that the charitable poker run be conducted, promoted, and administered exclusively by members of the qualified nonprofit organization.

C.S.H.B. 4533 requires all proceeds from entrance fees to be used for the charitable purposes of the qualified nonprofit organization and authorizes the organization conducting a charitable poker run to use a portion of the proceeds from the entrance fees to provide prizes, including cash prizes, to winners of the poker run. The bill provides that a qualified nonprofit organization is considered to use the proceeds from the entrance fees for the organization's charitable purposes if, not later than the 10th day after the poker run is completed, the organization donates the proceeds to another qualified nonprofit organization that agrees to use the proceeds exclusively for its charitable purposes. The bill requires an organization to which proceeds are donated to use the proceeds for the charitable purposes of the organization not later than the second anniversary of the date the organization receives the proceeds and to maintain a record of the receipt of the proceeds and of the charitable purposes for which the proceeds are used for not less than four years after the date on which the organization receives the proceeds.

C.S.H.B. 4533 requires a charitable poker run to require each participant to pay an entrance fee, to travel to at least five different locations along a prescribed course, and to collect a playing card drawn at random at each location or to collect not fewer than five playing cards after visiting all the locations on the course, and requires a charitable poker run to determine the game winners by ranking the poker hands formed by each participant's playing cards according to the rules commonly used to rank poker hands or similar rules specified by the organization conducting the poker run.

C.S.H.B. 4533 amends the Penal Code to include among the available defenses to prosecution for gambling offenses an activity permitted or authorized under provisions relating to a charitable poker run.

C.S.H.B. 4533 defines "charitable poker run," "charitable purpose," "entrance fee," "poker run," and "qualified nonprofit organization."

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4533 differs from the original by amending the caption, to remove language relating to penalties, and making non-substantive technical corrections.