

BILL ANALYSIS

H.B. 457
By: Craddick
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, only qualified organizations may conduct a raffle in Texas; individuals and for-profit businesses are excluded. Generally, organizations that qualify to conduct a raffle are religious societies, volunteer fire departments, volunteer emergency medical service providers, and tax-exempt nonprofit organizations. Current law prohibits these organizations from compensating a person directly or indirectly for organizing or conducting a raffle. The law is unclear, however, on whether an organization may allow an existing member of the organization who is a paid employee to organize and conduct a raffle.

Current law allows a raffle to be promoted using certain methods, including donated advertising, but raffle tickets may not be advertised statewide or through paid advertisements. When the law was adopted more than 20 years ago, lawmakers did not envision the need to include provisions to address the use of web-based media. It is unclear whether organizations that conduct a raffle are authorized to promote the charitable raffle via e-mail to supporters or to post information about the raffle on a website or on a social networking page because such actions could be construed as statewide advertising.

H.B. 457 authorizes a qualified organization to promote a raffle on the organization's Internet website or through a publication or solicitation, including a newsletter, social media, or e-mail, provided the promotion is statewide and other conditions are met. The bill authorizes a member of such an organization who is employed by the organization to organize and conduct a raffle but prohibits a person from being hired solely to organize or conduct a raffle.

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

H.B. 457 amends the Occupations Code to provide an exception to the prohibition against a nonprofit organization qualified to conduct a charitable raffle promoting or advertising a raffle statewide if such an organization promotes or advertises a raffle statewide on the organization's Internet website or through a publication or solicitation, including a newsletter, social media, or e-mail, provided only to previously identified supporters of the organization. The bill authorizes a member of the organization who is employed by the organization to organize and conduct a raffle but prohibits such a person from being hired solely to organize or conduct a raffle.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.