

By: Geren, Larson, Thompson of Harris,  
Sheets, Anderson of Dallas, et al.

H.B. No. 975

A BILL TO BE ENTITLED

AN ACT

relating to charitable raffles conducted by certain professional sports team charitable foundations; creating a criminal offense.

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

SECTION 1. Subtitle A, Title 13, Occupations Code, is amended by adding Chapter 2004 to read as follows:

CHAPTER 2004. PROFESSIONAL SPORTS TEAM CHARITABLE

FOUNDATION RAFFLES

Sec. 2004.001. SHORT TITLE. This chapter may be cited as the Professional Sports Team Charitable Foundation Raffle Enabling Act.

Sec. 2004.002. DEFINITIONS. In this chapter:

(1) "Charitable purposes" has the meaning assigned by Section 2002.002.

(2) "Professional sports team" means a team organized in this state that is a member of Major League Baseball, the National Basketball Association, the National Hockey League, the National Football League, or Major League Soccer.

(3) "Professional sports team charitable foundation" means an organization that:

(A) holds a certificate of formation under the Business Organizations Code or is otherwise incorporated under the laws of this state;

(B) is associated with a professional sports

1 team; and

2 (C) is formed for charitable purposes.

3 (4) "Raffle" has the meaning assigned by Section  
4 2002.002.

5 Sec. 2004.003. QUALIFICATIONS TO CONDUCT RAFFLE. A  
6 professional sports team charitable foundation is qualified to  
7 conduct charitable raffles under this chapter if the foundation:

8 (1) is associated with a professional sports team with  
9 a home venue located in this state;

10 (2) does not distribute any of its income to its  
11 members, officers, or governing body, other than as reasonable  
12 compensation for services;

13 (3) has existed for at least the three years preceding  
14 the conduct of a raffle under this chapter;

15 (4) does not devote a substantial part of its  
16 activities to attempting to influence legislation and does not  
17 participate or intervene in any political campaign on behalf of any  
18 candidate for public office in any manner, including by publishing  
19 or distributing statements or making campaign contributions;

20 (5) qualifies for and has obtained an exemption from  
21 federal income tax from the Internal Revenue Service as a  
22 charitable organization described in Section 501(c)(3), Internal  
23 Revenue Code of 1986; and

24 (6) does not have or recognize any local chapter,  
25 affiliate, unit, or subsidiary organization in this state.

26 Sec. 2004.004. RAFFLE AUTHORIZED; TICKET SALES. (a) A  
27 professional sports team charitable foundation that meets the

1 qualifications under Section 2004.003 may conduct a charitable  
2 raffle during each preseason, regular season, and postseason game  
3 hosted at the home venue of the professional sports team associated  
4 with the foundation to provide revenue for the foundation's  
5 charitable purposes.

6 (b) A professional sports team charitable foundation  
7 authorized to conduct a raffle under this section may award to a  
8 raffle winner selected by random draw a cash prize in an amount not  
9 to exceed 50 percent of the gross proceeds collected from the sale  
10 of raffle tickets.

11 (c) Only employees or volunteers of the professional sports  
12 team charitable foundation or the professional sports team  
13 associated with the foundation may sell raffle tickets for a  
14 charitable raffle conducted under this chapter.

15 (d) Only persons 18 years of age or older may purchase  
16 raffle tickets in a charitable raffle conducted under this chapter.

17 Sec. 2004.005. TICKET DISCLOSURES. The following  
18 information must be printed on each raffle ticket sold or offered  
19 for sale under this chapter:

20 (1) the name of the raffle for which the ticket is  
21 offered for sale and the sales station at which the ticket was  
22 purchased;

23 (2) the date on which the random draw to determine the  
24 winner of the raffle will occur and the manner in which the winning  
25 ticket for the raffle will be announced;

26 (3) the procedure and location for claiming a prize;

27 (4) the time allowed for a prize winner to claim a

1 prize; and

2 (5) the logo of the professional sports team  
3 charitable foundation, the logo of the professional sports team  
4 associated with the foundation, or both.

5 Sec. 2004.006. USE OF RAFFLE PROCEEDS. All proceeds from  
6 the sale of raffle tickets less the amounts deducted for reasonable  
7 operating expenses and cash prizes must be used for the charitable  
8 purposes of the professional sports team charitable foundation.

9 Sec. 2004.007. REASONABLE OPERATING EXPENSES. (a) For each  
10 raffle conducted under this chapter, a professional sports team  
11 charitable foundation may deduct not more than 10 percent of the  
12 gross proceeds collected from the sale of tickets for the raffle to  
13 pay the reasonable operating expenses of conducting the raffle.

14 (b) For purposes of this chapter, reasonable operating  
15 expenses include:

16 (1) promotion, advertisements, charitable foundation  
17 fund-raising events, equipment, and administrative expenses; and

18 (2) purchase, lease, or licensing fees for the  
19 equipment, hardware, and software necessary to:

20 (A) sell raffle tickets to raffle participants;

21 (B) conduct random drawings to select prize  
22 winners; and

23 (C) continuously calculate the number of ticket  
24 sales, amount of money collected, amount of cash prize to be  
25 awarded, amount of money raised for charitable purposes, and amount  
26 of gross ticket sales that may be deducted for reasonable operating  
27 expenses.

1       Sec. 2004.008. COMMUNICATION OF WINNING NUMBER. The  
2 winning number of a charitable raffle conducted under this chapter  
3 may not be communicated to raffle participants by means of  
4 interactive and instantaneous technology.

5       Sec. 2004.009. CRIMINAL PENALTIES. (a) A person commits an  
6 offense if the person accepts any form of payment other than United  
7 States currency for the purchase of a raffle ticket for a charitable  
8 raffle conducted under this chapter.

9       (b) A person commits an offense if the person sells or  
10 offers to sell a raffle ticket for a charitable raffle conducted  
11 under this chapter to an individual that the person knows to be  
12 younger than 18 years of age.

13       (c) A person commits an offense if the person purchases a  
14 raffle ticket for a charitable raffle conducted under this chapter  
15 with the proceeds of a check issued as a payment under the financial  
16 assistance program administered under Chapter 31, Human Resources  
17 Code.

18       (d) A person commits an offense if the person misrepresents  
19 the person's age or displays fraudulent evidence that the person is  
20 18 years of age or older in order to purchase a raffle ticket for a  
21 charitable raffle conducted under this chapter.

22       (e) An offense under this section is a Class C misdemeanor.

23       Sec. 2004.010. INJUNCTIVE ACTION AGAINST UNAUTHORIZED  
24 RAFFLE. (a) A county attorney, district attorney, criminal  
25 district attorney, or the attorney general may bring an action in  
26 county or district court for a permanent or temporary injunction or  
27 a temporary restraining order prohibiting conduct involving a

1 raffle or similar procedure that:

2 (1) violates or threatens to violate state law  
3 relating to gambling; and

4 (2) is not authorized by this chapter, Chapter 2002,  
5 or other law.

6 (b) Venue for an action under this section is in the county  
7 in which the conduct occurs or in which a defendant in the action  
8 resides.

9 SECTION 2. Section 47.02(c), Penal Code, is amended to read  
10 as follows:

11 (c) It is a defense to prosecution under this section that  
12 the actor reasonably believed that the conduct:

13 (1) was permitted under Chapter 2001, Occupations  
14 Code;

15 (2) was permitted under Chapter 2002, Occupations  
16 Code;

17 (3) was permitted under Chapter 2004, Occupations  
18 Code;

19 (4) consisted entirely of participation in the state  
20 lottery authorized by the State Lottery Act (Chapter 466,  
21 Government Code);

22 (5) [~~4~~] was permitted under the Texas Racing Act  
23 (Article 179e, Vernon's Texas Civil Statutes); or

24 (6) [~~5~~] consisted entirely of participation in a  
25 drawing for the opportunity to participate in a hunting, fishing,  
26 or other recreational event conducted by the Parks and Wildlife  
27 Department.

1 SECTION 3. Section 47.09(a), Penal Code, is amended to read  
2 as follows:

3 (a) It is a defense to prosecution under this chapter that  
4 the conduct:

5 (1) was authorized under:

6 (A) Chapter 2001, Occupations Code;

7 (B) Chapter 2002, Occupations Code; ~~[or]~~

8 (C) Chapter 2004, Occupations Code; or

9 (D) the Texas Racing Act (Article 179e, Vernon's  
10 Texas Civil Statutes);

11 (2) consisted entirely of participation in the state  
12 lottery authorized by Chapter 466, Government Code; or

13 (3) was a necessary incident to the operation of the  
14 state lottery and was directly or indirectly authorized by:

15 (A) Chapter 466, Government Code;

16 (B) the lottery division of the Texas Lottery  
17 Commission;

18 (C) the Texas Lottery Commission; or

19 (D) the director of the lottery division of the  
20 Texas Lottery Commission.

21 SECTION 4. This Act takes effect January 1, 2016, but only  
22 if the constitutional amendment proposed by the 84th Legislature,  
23 Regular Session, 2015, authorizing the legislature to permit  
24 professional sports team charitable foundations to conduct  
25 charitable raffles is approved by the voters. If that amendment is  
26 not approved by the voters, this Act has no effect.