

BILL ANALYSIS

Senate Research Center

S.B. 500
By: West et al.
State Affairs
5/26/2023
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 500 would increase the maximum value of a residential dwelling purchased by a charitable organization to be offered or awarded as a prize in a raffle by a charitable organization from \$250,000 to \$1,000,000.

S.B. 500 is designed to aid charitable organizations that regularly offer residential dwellings as prizes in charitable raffles in being able to conduct their raffles in Texas once again. These include organizations such as St. Jude Children's Research Hospital. St. Jude and other organizations have been unable to offer residential dwellings as prizes in raffles in Texas for the last several years due to significant inflation in housing and building costs. As such raffles typically bring charitable organizations significant fundraising dollars, non-profit and charitable organizations that have previously engaged in such raffles have seen a decrease in dollars raised in Texas.

According to the Texas Real Estate Research Center at Texas A&M University, the average home price in Texas hit a high water mark of \$437,877 in June 2022, and sits at \$386,469 for January 2023, the last month for which data is available. The current \$250,000 statutory limit in place for dwellings offered through a charitable raffle is substantially less than the average sale price of a single family home in Texas. When the residential dwelling limit was added to statute by H.B. 541 in 2005, the average home price in Texas was \$178,883.

(Original Author's/Sponsor's Statement of Intent)

S.B. 500 amends current law relating to the value of a residential dwelling offered or awarded as a prize at a charitable raffle.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2002.056(b-1), Occupations Code, as follows:

(b-1) Prohibits the value of a residential dwelling offered or awarded as a prize at a raffle that is purchased by the organization or for which the organization provides any consideration from exceeding \$750,000, rather than \$250,000.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2023.