

BILL ANALYSIS

H.B. 975
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Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Charitable Raffle Enabling Act authorizes a qualified nonprofit organization to conduct charitable raffles in which prizes other than money are offered or awarded, with all of the proceeds from the sale of raffle tickets being allocated for use for the organization's charitable purposes, but interested parties note that a number of states authorize charitable raffles that award to a raffle winner selected by random draw a cash prize of not more than 50 percent of the gross proceeds collected from the sale of raffle tickets. The parties contend that Texas needs to authorize these "50/50" charitable raffles so that a charitable foundation that is associated with a professional sports team can highlight its philanthropic activities, bring awareness to community needs, and encourage sports fans to contribute to worthy causes. H.B. 975 seeks to amend current law and create the Professional Sports Team Charitable Foundation Raffle Enabling Act.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 975 amends the Occupations Code to authorize a qualified professional sports team charitable foundation to conduct a charitable raffle during each preseason, regular season, and postseason game hosted at the home venue of the professional sports team associated with the foundation to provide revenue for the foundation's charitable purposes and to set out the qualifications for conducting such a raffle. The bill authorizes a professional sports team charitable foundation authorized to conduct a raffle under the bill's provisions to award to a raffle winner selected by random draw a cash prize and sets the maximum amount of the cash prize at 50 percent of the gross proceeds collected from the sale of raffle tickets. The bill authorizes only employees or volunteers of the professional sports team charitable foundation or the professional sports team associated with the foundation to sell raffle tickets for a charitable raffle and restricts the purchase of tickets to persons 18 years of age or older.

H.B. 975 requires all proceeds from the sale of the raffle tickets less the amounts deducted for reasonable operating expenses and cash prizes to be used for the charitable purposes of the professional sports team charitable foundation and sets out the information required to be printed on each charitable raffle ticket sold or offered for sale. The bill sets the maximum deduction for reasonable operating expenses at 10 percent of the gross proceeds collected from the sale of tickets and sets out expenses included in reasonable operating expenses.

H.B. 975 makes it a Class C misdemeanor offense to accept any form of payment other than United States currency for the purchase of a raffle ticket for a charitable raffle conducted under the bill's provisions; to sell or offer to sell such a raffle ticket to an individual that the person knows to be younger than 18 years of age; to purchase such a raffle ticket with the proceeds of a check issued as payment under certain financial assistance programs; or to misrepresent a person's own age or display fraudulent evidence that the person is 18 years of age or older in order to purchase such a raffle ticket.

H.B. 975 authorizes a county attorney, district attorney, criminal district attorney, or the attorney general to bring an action in county or district court for a permanent or temporary injunction or a temporary restraining order prohibiting conduct involving a raffle or similar procedure that violates or threatens to violate state law relating to gambling and is not authorized by the bill's provisions, by statutory provisions relating to charitable raffles, or by other law. The bill establishes venue for such an action in the county in which the conduct occurs or in which a defendant in the action resides.

H.B. 975 amends the Penal Code to add a defense to prosecution for gambling-related offenses that the actor reasonably believed that the conduct was permitted under the bill's provisions.

EFFECTIVE DATE

January 1, 2016, if the constitutional amendment authorizing the legislature to permit professional sports team charitable foundations to conduct charitable raffles is approved by the voters.