

- SUBJECT:** Authorizing charitable foundation raffles at rodeo events
- COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended
- VOTE:** 10 ayes — S. Thompson, Kuempel, Darby, Ellzey, Fierro, Geren, Goldman, Guillen, Huberty, Pacheco
- 0 nays
- 1 absent — Hernandez
- WITNESSES:** None
- BACKGROUND:** The 84th Legislature in 2015 passed and voters approved HJR 73 by Geren and its enabling legislation, HB 975, which together permitted certain professional sports team charitable foundations existing on January 1, 2016, to conduct charitable raffle at home games under certain circumstances. HB 975 created Occupations Code, ch. 2004, the Professional Sports Team Charitable Foundation Raffle Enabling Act.
- Occupations Code sec. 2004.003 specifies that a professional sports team charitable foundation is qualified to conduct charitable raffles if the foundation:
- is associated with a professional sports team with a home venue located in Texas;
 - does not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services;
 - has existed for at least three years preceding the conduct of a raffle;
 - does not devote a substantial part of its activities to attempting to influence legislation and does not participate or intervene in any political campaign on behalf of any candidate for public office in any manner, including by publishing or distributing statements or

- making campaign contributions;
- qualifies for and has obtained an exemption from federal income tax from the Internal Revenue Service as a charitable organization; and
- does not have or recognize any local chapter affiliate, unit, or subsidiary organization in this state.

DIGEST:

CSHB 3012 would include an organization sanctioned by the Professional Rodeo Cowboys Association (PRCA) among the organizations considered a professional sports team for the purposes of the Professional Sports Team Charitable Foundation Raffle Enabling Act. Under the bill, a professional sports team charitable foundation sanctioned by PRCA would be qualified to conduct charitable raffles at rodeos in the state.

A qualified foundation could conduct a charitable raffle during each rodeo event at the rodeo venue. The bill would define a "rodeo event" to mean a rodeo conducted at a rodeo venue, and a "rodeo venue" to mean a facility owned or operated by and operated as the home venue of an organization sanctioned by the PRCA at which rodeos were conducted by PRCA.

The bill would take effect December 1, 2021, but only if the constitutional amendment proposed by HJR 143 by Geren authorizing the professional sports team charitable foundations of organizations sanctioned by PRCA to conduct charitable raffles at rodeo venues was approved by the voters. If the amendment is not approved, this bill would have no effect.

SUPPORTERS
SAY:

CSHB 3012 would generate revenue for worthy charities across Texas by adding charitable organizations sanctioned by the Professional Rodeo Cowboys Association (PRCA) to the list of organizations qualified to conduct charitable raffles. Professional sports team foundations affiliated with Texas' NFL, NBA, and MLB teams have successfully raised money for youth scholarship programs, the American Cancer Society, the YMCA, and other worthy charities by conducting raffles at home games. The bill would simply extend the same opportunity to the charitable foundations of organizations sanctioned by PRCA in Texas.

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CRITICS
SAY:

No concerns identified.

NOTES:

CSHB 3012 is the enabling legislation for HJR 143 by Geren, which would authorize the Legislature to permit a charitable foundation of a Professional Rodeo Cowboys Association-sanctioned organization to hold a charitable raffle. HJR 143 is set for second reading consideration today.