

- SUBJECT:** Authorizing certain charitable raffles
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 7 ayes — Smith, Gutierrez, Geren, Goldman, Kuempel, Miles, D. Miller
- 0 nays
- 2 absent — Guillen, S. Thompson
- WITNESSES:** For — Robert Ryan, Houston Astros Foundation; (*Registered, but did not testify*: Neal T. “Buddy” Jones, Dallas Cowboys; Jessica Dunn, Jason Farris, and Ty Richardson, Dallas Stars Foundation; Alan Tompkins, FC Dallas; Jim Grace, Houston Texans; Laura Dixon and Shermeka Hudson, Spurs Sports and Entertainment; Joseph Januszewski, Texas Rangers Baseball Club; Kate Cassidy and Karin Morris, Texas Rangers Baseball Foundation)
- Against — (*Registered, but did not testify*: Rob Kohler, Christian Life Commission of the Baptist Convention of Texas)
- BACKGROUND:** Texas Constitution, Art. 3, sec. 47(a) requires the Legislature to enact laws prohibiting lotteries and gift enterprises, with a few exceptions. One exception is an amendment adopted in 1989 that allows the Legislature to enact a law permitting charitable raffles conducted by a qualified religious society, volunteer fire department, volunteer emergency medical service, or non-profit organization. This provision requires that all proceeds from the sale of raffle tickets be spent for the charitable purposes of the organization and that the charitable raffle be conducted and promoted exclusively by the members of the organization.
- DIGEST:** HJR 73 would propose an amendment to Texas Constitution, Art. 3, sec. 47, authorizing the Legislature to allow a professional sports team charitable foundation to conduct charitable raffles under the terms and conditions imposed by law. The law could authorize the charitable

foundation to pay reasonable advertising, promotional, and administrative expenses with the raffle proceeds.

The proposal would be presented to the voters at an election on Tuesday, November 3, 2015. The ballot proposal would read: “The constitutional amendment authorizing the legislature to permit professional sports team charitable foundations to conduct charitable raffles.”

**SUPPORTERS
SAY:**

HJR 73, along with its enabling legislation, HB 975 by Geren, would increase philanthropic donations by allowing charitable foundations of Texas professional sports teams to hold charitable raffles and use proceeds to pay for reasonable operating expenses. Expanding these popular raffles would allow teams to give back even more to the communities they represent.

The two measures would work together to permit the charitable foundations of professional sports teams to hold charitable raffles for cash prizes at each of their team’s home games. Twenty-five states have laws that allow sports teams to hold charitable raffles. These states allow for a particular type of raffle called a 50/50 raffle, in which half of the proceeds go to charity and the other half is paid to the winner. Texas is one of only five states that has professional sports team franchises but does not allow 50/50 raffles, which are more popular than other raffles because they offer a cash prize. The more raffle tickets are sold, the more money is raised for charitable organizations, which benefits local communities and important causes. HJR 73 would make these types of charitable raffles possible by authorizing the Legislature to enact laws allowing them.

HJR 73 would not authorize laws to create new forms of gambling. The proposed amendment merely would authorize the Legislature to craft laws governing how professional sports team charitable foundations may conduct raffles, including using raffle proceeds to pay for reasonable operating expenses.

**OPPONENTS
SAY:**

HJR 73 would increase the number of exceptions to a sensible constitutional prohibition against lotteries and gift enterprises. If approved

by voters, the proposal would be the first time in 24 years that the Texas Constitution was amended for gambling purposes – and only the fourth time since the Constitution was adopted.

With every amendment to the Constitution, people come up with new ways to push the limits of what is allowed under the laws it authorizes. Some gambling games and machines exist today because they are protected by technicalities in the law or because they simply are not being regulated. Opening the Constitution to even more interpretation and flexibility could allow the enactment of future legislation that was never intended by this proposal, such as electronic raffles at race tracks or bingo halls. This proposed amendment could open the door to forms of gambling more serious than charitable raffles.

NOTES:

HB 975 by Geren, et al., the enabling legislation for HJR 73, is set for second-reading consideration on today's calendar.

According to the Legislative Budget Board's fiscal note, the cost to the state for publication of the resolution is \$118,681.

The Senate companion bill, SJR 39 by Fraser, was reported favorably by the Senate Committee on Natural Resources and Economic Development on April 1.