

## **BILL ANALYSIS**

Senate Research Center  
79R6135 MSE-D

H.B. 541  
By: Krusee (Jackson)  
State Affairs  
5/16/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, non-profit organizations are required to have a governing body directly elected by membership before they may legally conduct raffles. A large majority of Texas non-profit organizations are not voting membership corporations. Many of these organizations would otherwise qualify to conduct a raffle under current statute, but either cannot take advantage of a raffle's fundraising potential, or hold raffles that are technically illegal.

H.B. 541 changes current law to allow an organization to hold raffles for fundraising purposes without an elected governing body. Organizations are still required to exist for at least the three preceding years and must comply with the other stipulations set forth in the statute.

### **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 2002.002, Occupations Code, by adding Subdivision (1-a), to define "money."

SECTION 2. Amends Sections 2002.003(a), (b), and (c), Occupations Code, as follows:

(a) Deletes existing text relating to a non-profit organization that has had a governing body or officers elected by a vote of its members or by a vote of delegates elected by its members.

(b) and (c) Makes conforming and nonsubstantive changes.

SECTION 3. Amends Section 2002.053, Occupations Code, to specify that all proceeds from the sale of tickets for a raffle are required to be spent for the charitable purposes of the qualified organization.

SECTION 4. Amends Section 2002.054(c), Occupations Code, by deleting existing text prohibiting a person who is not a member of the organization from selling or offering to sell raffle tickets.

SECTION 5. Effective date: upon passage or September 1, 2005.