

OCCUPATIONS CODE

TITLE 13. SPORTS, AMUSEMENTS, AND ENTERTAINMENT

SUBTITLE A. GAMING

CHAPTER 2004. PROFESSIONAL SPORTS TEAM CHARITABLE

FOUNDATION RAFFLES

Sec. 2004.001. SHORT TITLE. This chapter may be cited as the Professional Sports Team Charitable Foundation Raffle Enabling Act.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff. January 1, 2016.

Sec. 2004.002. DEFINITIONS. In this chapter:

(1) "Charitable purposes" has the meaning assigned by Section 2002.002.

(1-a) "Debit card" has the meaning assigned by Section 32.31, Penal Code.

(2) "Professional sports team" means:

(A) a team organized in this state that is a member of Major League Baseball, the National Basketball Association, the National Hockey League, the National Football League, Major League Soccer, the American Hockey League, the East Coast Hockey League, the American Association of Independent Professional Baseball, the Atlantic League of Professional Baseball, Minor League Baseball, the National Basketball Association Development League, the National Women's Soccer League, the Major Arena Soccer League, the United Soccer League, or the Women's National Basketball Association;

(B) a person hosting a motorsports racing team event sanctioned by the National Association for Stock Car Auto Racing (NASCAR), INDYCar, or another nationally recognized motorsports racing association at a venue in this state with a permanent seating capacity of not less than 75,000; or

(C) an organization hosting a Professional Golf Association event.

(3) "Professional sports team charitable foundation" means an organization that:

(A) holds a certificate of formation under the Business Organizations Code or is otherwise incorporated under the laws of this state;

(B) is associated with a professional sports team; and

(C) is formed for charitable purposes.

(4) "Raffle" has the meaning assigned by Section [2002.002](#).

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. [975](#)), Sec. 1, eff. January 1, 2016.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 895 (H.B. [3125](#)), Sec. 1, eff. December 1, 2017.

Sec. 2004.003. QUALIFICATIONS TO CONDUCT RAFFLE. A professional sports team charitable foundation is qualified to conduct charitable raffles under this chapter if the foundation:

(1) is associated with a professional sports team with a home venue located in this state;

(2) does not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services;

(3) has existed for at least the three years preceding the conduct of a raffle under this chapter;

(4) 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;

(5) qualifies for and has obtained an exemption from federal income tax from the Internal Revenue Service as a charitable organization described in Section 501(c)(3), Internal Revenue Code of 1986; and

(6) does not have or recognize any local chapter, affiliate, unit, or subsidiary organization in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. [975](#)), Sec. 1, eff. January 1, 2016.

Sec. 2004.004. RAFFLE AUTHORIZED; TICKET SALES. (a) A professional sports team charitable foundation that meets the qualifications under Section 2004.003 may 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.

(b) A professional sports team charitable foundation authorized to conduct a raffle under this section may award to a raffle winner selected by random draw a cash prize in an amount not to exceed 50 percent of the gross proceeds collected from the sale of raffle tickets.

(c) Only employees or volunteers of the professional sports team charitable foundation or the professional sports team associated with the foundation may sell raffle tickets for a charitable raffle conducted under this chapter.

(d) Only persons 18 years of age or older may purchase raffle tickets in a charitable raffle conducted under this chapter. Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff. January 1, 2016.

Sec. 2004.005. TICKET DISCLOSURES. The following information must be printed on each raffle ticket sold or offered for sale under this chapter:

(1) the name of the raffle for which the ticket is offered for sale and the sales station at which the ticket was purchased;

(2) the date on which the random draw to determine the winner of the raffle will occur and the manner in which the winning ticket for the raffle will be announced;

(3) the procedure and location for claiming a prize;

(4) the time allowed for a prize winner to claim a prize; and

(5) the logo of the professional sports team charitable foundation, the logo of the professional sports team associated with the foundation, or both.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff. January 1, 2016.

Sec. 2004.006. USE OF RAFFLE PROCEEDS. All proceeds from the sale of raffle tickets less the amounts deducted for reasonable operating expenses and cash prizes must be used for the charitable purposes of the professional sports team charitable foundation.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff. January 1, 2016.

Sec. 2004.007. REASONABLE OPERATING EXPENSES. (a) For each raffle conducted under this chapter, a professional sports team charitable foundation may deduct not more than 10 percent of the gross proceeds collected from the sale of tickets for the raffle to pay the reasonable operating expenses of conducting the raffle.

(b) For purposes of this chapter, reasonable operating expenses include:

(1) promotion, advertisements, charitable foundation fund-raising events, equipment, and administrative expenses; and

(2) purchase, lease, or licensing fees for the equipment, hardware, and software necessary to:

(A) sell raffle tickets to raffle participants;

(B) conduct random drawings to select prize winners; and

(C) continuously calculate the number of ticket sales, amount of money collected, amount of cash prize to be awarded, amount of money raised for charitable purposes, and amount of gross ticket sales that may be deducted for reasonable operating expenses.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff. January 1, 2016.

Sec. 2004.008. COMMUNICATION OF WINNING NUMBER. The winning number of a charitable raffle conducted under this chapter may not be communicated to raffle participants by means of interactive and instantaneous technology.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff.

January 1, 2016.

Sec. 2004.009. CRIMINAL PENALTIES. (a) A person commits an offense if the person accepts any form of payment other than United States currency or a debit card for the purchase of a raffle ticket for a charitable raffle conducted under this chapter.

(b) A person commits an offense if the person sells or offers to sell a raffle ticket for a charitable raffle conducted under this chapter to an individual that the person knows to be younger than 18 years of age.

(c) A person commits an offense if the person purchases a raffle ticket for a charitable raffle conducted under this chapter with the proceeds of a check issued as a payment under the financial assistance program administered under Chapter 31, Human Resources Code.

(d) A person commits an offense if the person misrepresents the person's age or displays fraudulent evidence that the person is 18 years of age or older in order to purchase a raffle ticket for a charitable raffle conducted under this chapter.

(e) An offense under this section is a Class C misdemeanor. Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. 975), Sec. 1, eff. January 1, 2016.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 895 (H.B. 3125), Sec. 2, eff. December 1, 2017.

Sec. 2004.010. INJUNCTIVE ACTION AGAINST UNAUTHORIZED RAFFLE. (a) A county attorney, district attorney, criminal district attorney, or the attorney general may 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:

(1) violates or threatens to violate state law relating to gambling; and

(2) is not authorized by this chapter, Chapter 2002, or other law.

(b) Venue for an action under this section is in the county

in which the conduct occurs or in which a defendant in the action resides.

Added by Acts 2015, 84th Leg., R.S., Ch. 47 (H.B. [975](#)), Sec. 1, eff. January 1, 2016.