

**Charitable Raffles**

“Raffle”

A “raffle” is the awarding of one or more prizes by chance at a single occasion among a pool or group of persons who have paid or were promised a thing of value for a ticket that represents a chance to win a prize. *Occupations Code 2002.002(6)*

“Qualified Nonprofit Organization”

An organization incorporated or holding a certificate of authority under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon’s Texas Civil Statutes) is a “qualified nonprofit organization” for the purposes of Occupations Code 2002 if the organization:

1. Does not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services;
2. Has existed for the three preceding years;
3. 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;
4. Qualifies for and has obtained an exemption from federal income tax from the Internal Revenue Service under Section 501(c), Internal Revenue Code of 1986; and
5. Does not have or recognize any local chapter, affiliate, unit, or subsidiary organization in this state.

*Occupations Code 2002.003(a)*

An organization that is formally recognized as and that operates as a local chapter, affiliate, unit, or subsidiary organization of a parent organization incorporated or holding a certificate of authority under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon’s Texas Civil Statutes) is a “qualified nonprofit organization” if both it and its parent organization meet the qualifications set out above at numbers 1 through 3 and either the local or parent organization satisfies number 4. The local organization must have been formally recognized as a local chapter, affiliate, unit, or subsidiary organization of the parent organization for the previous three years. *Occupations Code 2002.003(b)*

An organization that is formally recognized as and that operates as a local chapter, affiliate, unit, or subordinate lodge of a grand lodge or other institution or order incorporated under, Vernon’s Texas Civil Statutes Title 32, as authorized by Vernon’s Texas Civil Statutes Article 1399 is a “qualified nonprofit organization” if it satisfies

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the provisions of Occupations Code 2002.003(b-1). *Occupations Code 2002.003(b-1)*

An unincorporated organization, association, or society is a “qualified nonprofit organization” if it meets the qualifications described at numbers 1, 3, and 4 above and, for the three preceding years, has been affiliated with a state or national organization organized to perform the same purposes as the unincorporated organization, association, or society. *Occupations Code 2002.003(c)*

A nonprofit wildlife conservation association and its local chapters, affiliates, wildlife cooperatives, or units are “qualified nonprofit organizations” if the parent association meets the eligibility criteria under Occupations Code 2002.003. *Occupations Code 2002.003(e)*

“Qualified Organization”

“Qualified organization” means a qualified religious society, qualified volunteer fire department, qualified volunteer emergency medical service, or qualified nonprofit organization. *Occupations Code 2002.002(2)*

Generally

A qualified organization may conduct a raffle subject to the conditions imposed by Occupations Code Chapter 2002, Subchapter B. *Occupations Code 2002.051*

Student Organizations

An institution of higher education, including a college district, shall allow a qualified organization that is a student organization recognized by the institution to sell raffle tickets at any facility of the institution, subject to reasonable restrictions on the time, place, and manner of the sale. *Occupations Code 2002.057*