

SUBJECT: Increasing the value cap for certain residential dwelling raffle prizes

COMMITTEE: Licensing & Administrative Procedures — favorable, without amendment

VOTE: 8 ayes — K. King, Walle, Goldman, Harless, Hernandez, T. King, Patterson, S. Thompson

0 nays

3 absent — Herrero, Schaefer, Shaheen

WITNESSES: For —Kathy Fairbanks, ALSAC, St. Jude Children’s Research Hospital; Randy Lee, St. Jude Children's & Research Hospital; Deron Stadler (*Registered, but did not testify*: J.D. Hale, Texas Association of Builders; Ashley Harris, United Ways of Texas; Phil Bunker)

Against — None

DIGEST: HB 1024 would increase the allowed maximum value from \$250,000 to \$1 million for a residential dwelling that can be offered or awarded as a prize at a charitable raffle that was purchased by the organization conducting the raffle or for which that organization provided any consideration. The change would apply only to charitable raffles conducted on or after the effective date of the bill.

The bill would take effect September 1, 2023.

SUPPORTERS SAY: HB 1024 would help charitable organizations sustain their programs by raising the cap on the value of a residential dwelling offered in a charitable raffle that the organization purchased or for which the organization had provided a consideration (a purchase required for entry or other in-kind exchange). While the cap has not been raised by the Legislature in over 15 years, the cost of new homes, construction, and home reselling has increased substantially in Texas. COVID-19 also has left a lasting negative impact on the fundraising abilities of qualified charitable organizations. Many charitable programs in Texas are being

discontinued due to the insufficiency of the current \$250,000 cap, and home builders who want to participate have had to step down from some of these programs, as they cannot build the desired homes for the amount organizations can offer them. HB 1024 would remove this barrier and empower charitable organizations and home builders to support Texas families.

CRITICS
SAY:

HB 1024 could help Texas families even more by eliminating the cap on altogether. Many other states have already removed the cap, and doing so in Texas would prevent the need to continue to raise the cap to compensate for increased costs while also further supporting charitable organizations in their goals.