

HOUSE BILL ANALYSIS

HB 1368

Brief Description: Easing restrictions on gambling fund-raisers.

Sponsors: Representatives Huff, Hatfield and Blalock

Hearing: February 5, 1997

BACKGROUND:

Nonprofit or charitable organizations, except agricultural fairs, may conduct fund raising events that involve gambling activities such as bingo, amusement games, raffles, casino games.

These organizations may hold an extended event once a year lasting up to three days, or a one day event twice a year.

The total annual profit from fund raising events may not exceed \$10,000 for any individual organization. Organizations may join together to sponsor an event. The total profit from a joint event may not exceed \$10,000.

In addition to limits on the profit that can be made by an organization, these events may be conducted only as prescribed by law. For example, only members of the organization may participate in the management or operation of the activities. Certain mechanical gambling or lottery devices are prohibited. All income less prizes and expenses must be devoted solely to the lawful purposes of the organization, and local law enforcement must be notified of the time and place of the event.

The use of this method to raise money by nonprofit and charitable organizations has declined since 1985 reflecting the decline in the amount organizations are raising per event and the effort and expertise necessary to handle a successful event.

SUMMARY OF BILL:

Charitable or nonprofit organizations may conduct an extended fund raising event of three consecutive days or a one day event, where no gambling takes place between the hours of 2:00 a.m. and 6:00 a.m. An organization may hold two three day events or four one day events each year, or a combination of one three day event and two one day events.

The total profit allowed for a single event is increased to \$15,000 with a total annual profit limit of \$30,000 for all events. Total profit from a joint event is increased to \$15,000.

Members and spouses must operate and manage the events, but the organization may use outside individuals to operate the gambling activity. An organization may use up to five people who are not members of the organization or their spouses and who are approved by the Gambling Commission. They may not participate in managing the event or be involved in any financial aspect of the event. The Commission determines what payment they may receive.

Those who rent equipment to the organization may receive an amount determined by the Commission to train and provide "advisory services" connected with the event.

RULES AUTHORITY: The bill does not contain provisions addressing the rule-making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.