



RYAN GUILLEN
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TEXAS STATE REPRESENTATIVE

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FOR MORE INFORMATION:
COREY.TICKNOR@HOUSE.TEXAS.GOV

**REP. GUILLEN SEEKS TO INCREASE FUNDRAISING
ABILITY OF NON-PROFITS**

*HB 115 Raises Current Cap on Real Estate that is Used in Charitable
Raffles*

AUSTIN - On November 14, 2016, Texas State Representative Ryan Guillen (D-Rural South Texas) filed HB 115 to raise the cap on the value of real estate that nonprofits can offer at charitable raffles. Charitable raffles are a vital fundraising tool for non-profit organizations, and currently the State of Texas caps the value of dwellings being raffled at a low value.

"The current value cap on raffled real estate limits the amount of money charitable organizations can raise at raffles because it limits the quality of the dwelling offered," Rep. Guillen stated. "Due to the cap, non-profits often struggle to draw large crowds, resulting in less money being made than possible."

The idea of buying something of much greater value, such as a dream home, for the price of a raffle ticket is very enticing, and a key factor in how non-profits are able to raise substantial money for important charitable efforts. Although there is no value cap for real estate donated to nonprofit organizations, state law caps the value of a residential dwelling that may be raffled at \$250,000, if the dwelling was not 100% donated (i.e. the organization bought the house at a discount price). The latter is most often the case, resulting in a lack of opportunity to garner much attention due to the lower quality of the prize being raffled away.

In other states where real estate raffles are permitted, non-profit organizations have garnered as much as \$3 million from such raffles. The logic is simple: if the prize is of greater value, more people will want to buy a ticket to get a chance at winning the more valuable prize. The non-profit organization that is hosting the raffle then gets more money to use for a good cause in Texas.

"This measure will provide non-profits the opportunity to bring in funds to meet the needs of the people they serve," said Guillen.

Representative Ryan Guillen serves ten rural South Texas counties in the Texas House of Representatives, including Atascosa, Brooks, Duval, Jim Hogg, Kenedy, La Salle, Live Oak, McMullen, Starr, and Willacy.

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