

HOUSE BILL 1447

By Haynes

AN ACT to amend Tennessee Code Annotated, Title 3.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 3-17-110, is amended by deleting the section in its entirety and by substituting instead the following:

Section 3-17-110.

(a) The ticket, share, chance or other similar record shall bear on its face the name of the 501(c)(3) organization on whose behalf the event is being conducted and either the mailing address of the 501(c)(3) organization or the telephone number of the 501(c)(3) organization.

(b) All cash prizes or awards exceeding fifty dollars (\$50.00) shall be paid by check from a designated account of the organization to a named individual. In the case of non-cash prizes or awards, payment shall be in the form of goods or services and, if applicable, by an appropriate legal instrument including, but not limited to, deeds, titles and gift certificates. Checks or other legal instruments payable to "cash" or "bearer" are expressly prohibited.

(c)

(1) For single location annual events, the total value of all prizes awarded per annual event shall not exceed two hundred fifty thousand dollars (\$250,000); provided, that such limitation shall not apply to prizes of real property.

(2) For multiple location annual events, the total value of all prizes awarded per annual event location shall not exceed one hundred fifty thousand dollars (\$150,000); provided, that such limitation shall not apply to prizes of real property.

(3) Notwithstanding subdivisions (c)(1) and (2), for annual events conducted pursuant to applications filed under §§ 3-17-103(f) and 3-17-104(e), the total value of all prizes awarded per annual event shall not exceed twenty-five thousand dollars (\$25,000).

(d) Authorized 501(c)(3) organizations offering a prize of real property pursuant to subsection (c) may offer a cash equivalent prize not to exceed the fair market value of the real property; provided, that any such cash equivalent prize shall be disclosed in the rules of the specific annual event prior to the sale of any ticket, share, chance or other similar record for such annual event and, if a cash equivalent prize is awarded, shall comply with the provisions of subsection (b).

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it, and shall apply to all authorized annual events conducted on and after such date.