

By: Thompson of Harris

H.B. No. 431

A BILL TO BE ENTITLED

AN ACT

relating to the conduct of charitable bingo.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2001.002(19), Occupations Code, is amended to read as follows:

(19) "Nonprofit organization" means an unincorporated association or a corporation that is incorporated or holds a certificate of authority under Chapter 22, Business Organizations Code [~~the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)~~]. The organization:

(A) may not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services; and

(B) must have obtained tax exempt status under Section 501(c), Internal Revenue Code of 1986.

SECTION 2. Section 2001.103, Occupations Code, is amended by amending Subsection (e) and adding Subsections (f-1) and (i) to read as follows:

(e) Notwithstanding Subsection (c), an authorized organization that holds a regular [~~an annual~~] license to conduct bingo that is effective for one year may receive not more than 48 [24] temporary licenses during the 12-month period following the issuance or renewal of the license. The holder of a regular license that is effective for two years may receive not more than 48 [24]

1 temporary licenses for each 12-month period that ends on an
2 anniversary of the date the license was issued or renewed.

3 (f-1) The commission shall provide for the on-demand
4 electronic issuance of a temporary license requested under this
5 section by the holder of a regular license.

6 (i) The notice requirements of Sections 2001.305(b) and (c)
7 do not apply to a temporary license issued to the holder of a
8 regular license.

9 SECTION 3. Sections 2001.305(b) and (c), Occupations Code,
10 are amended to read as follows:

11 (b) Except as provided by Section 2001.103(i), immediately
12 ~~[Immediately]~~ after issuing a license, the commission shall send a
13 copy of the license to the appropriate governing body. The
14 governing body shall file the copy of the license in a central file
15 containing licenses issued under this chapter.

16 (c) Except as provided by Section 2001.103(i), not ~~[Not]~~
17 later than the 10th day after the date a license is issued, the
18 commission shall give written notice of the issuance of the license
19 to:

20 (1) the police department of the municipality in which
21 bingo will be conducted, if bingo is to be conducted in a
22 municipality; or

23 (2) the sheriff of the county in which bingo will be
24 conducted, if bingo is to be conducted outside a municipality.

25 SECTION 4. Section 2001.413, Occupations Code, is amended
26 to read as follows:

27 Sec. 2001.413. PAYMENT ~~[ADMISSION CHARGE]~~ REQUIRED. Except

1 as provided by Section 2001.4155, a licensed authorized
2 organization may not offer or provide to a person the opportunity to
3 play bingo without payment [~~charge~~].

4 SECTION 5. Section 2001.420(b), Occupations Code, is
5 amended to read as follows:

6 (b) A person may not offer or award on a single bingo
7 occasion prizes with an aggregate value of more than \$5,000
8 [~~\$2,500~~] for all bingo games other than:

9 (1) pull-tab bingo; or

10 (2) bingo games that award individual prizes of \$50 or
11 less.

12 SECTION 6. Section 2001.435(b), Occupations Code, is
13 amended to read as follows:

14 (b) Each member of a unit shall deposit into the unit's
15 bingo account all funds derived from the conduct of bingo, less the
16 amount awarded as cash prizes [~~under Sections 2001.420(a) and (b)~~].

17 The deposit shall be made not later than the third [~~second~~] business
18 day after the day of the bingo occasion on which the receipts were
19 obtained.

20 SECTION 7. Sections 2001.451(b), (g), and (i), Occupations
21 Code, are amended to read as follows:

22 (b) Except as provided by Section 2001.502(a), a licensed
23 authorized organization shall deposit in the bingo account all
24 funds derived from the conduct of bingo, less the amount awarded as
25 cash prizes [~~under Sections 2001.420(a) and (b)~~]. Except as

26 provided by Subsection (b-1), a deposit must be made not later than
27 the third business day after the day of the bingo occasion on which

1 the receipts were obtained.

2 (g) The bingo operations of a licensed authorized
3 organization must ~~[+~~

4 ~~[(1) result in net proceeds over the organization's~~
5 ~~license period; or~~

6 ~~[(2) if the organization has a two-year license,]~~
7 result in net proceeds over each 24-month ~~[12-month]~~ period that
8 ends on the second ~~[an]~~ anniversary of the date the ~~[two-year]~~
9 license was issued.

10 (i) Prize fees ~~[held in escrow for remittance to the~~
11 ~~commission]~~ are not included in the calculation of operating
12 capital under Subsection (h) if the prize fees are:

13 (1) held in escrow for remittance to:

14 (A) the commission; or

15 (B) a county or municipality; or

16 (2) retained by a licensed authorized organization.

17 SECTION 8. Sections [2001.502](#)(b) and (c), Occupations Code,
18 are amended to read as follows:

19 (b) Notwithstanding Subsection (a)(2), each quarter, a
20 licensed authorized organization or unit that collects a prize fee
21 under Subsection (a) for a bingo game conducted in a county or
22 municipality that was entitled to receive a portion of a bingo prize
23 fee as of January 1, 2019, shall remit 50 percent of the amount
24 collected as the prize fee to the commission and shall remit or
25 deposit the remainder of the amount collected as the prize fee as
26 follows:

27 (1) if the county ~~[or municipality]~~ in which the bingo

1 game is conducted voted before November 1, 2019, to impose the prize
2 fee and ~~[, remit 50 percent of the amount collected as the prize fee~~
3 ~~to.~~

4 ~~[(A) the county that voted to impose the fee by~~
5 ~~that date, provided]~~ the location at which the bingo game is
6 conducted:

7 (A) is not within the boundaries of a
8 municipality, remit 50 percent of the amount collected as the prize
9 fee to the county ~~[that voted to impose the prize fee by that date];~~
10 or

11 (B) is within the boundaries of a ~~[the]~~
12 municipality that:

13 (i) voted before November 1, 2019, to
14 impose the prize fee, remit 50 percent of the amount collected as
15 the prize fee in equal shares to the county and municipality ~~[by~~
16 ~~that date, provided the county in which the bingo game is conducted~~
17 ~~did not vote to impose the fee by that date]; or~~

18 (ii) did not vote before November 1, 2019,
19 to impose the prize fee, remit 25 percent of the amount collected as
20 the prize fee to the county and deposit the remaining amount in the
21 manner described by Subdivision (3);

22 ~~[(C) in equal shares, the county and the~~
23 ~~municipality, provided each voted to impose the fee before that~~
24 ~~date, or]~~

25 (2) if the county in which the bingo game is conducted
26 did not vote before November 1, 2019, to impose the prize fee and
27 the location at which the bingo game is conducted is within the

1 boundaries of a municipality that voted before November 1, 2019, to
2 impose the prize fee:

3 (A) remit 25 percent of the amount collected as
4 the prize fee to the municipality; and

5 (B) deposit the remaining amount in the manner
6 described by Subdivision (3); and

7 (3) if neither the county or municipality in which the
8 bingo game is conducted voted before November 1, 2019, to impose the
9 prize fee, deposit the remainder of the amount collected as the
10 prize fee in the general charitable fund of the organization or on a
11 pro rata basis to the general funds of the organizations comprising
12 the unit, as applicable, to be used for the charitable purposes of
13 the organization or organizations.

14 (c) The governing body of a county or municipality that
15 voted to impose a prize fee under Subsection (b) [~~(b)(1)~~] may at any
16 time vote to discontinue the imposition of the fee. If a county or
17 municipality votes on or after November 1, 2019, to discontinue the
18 fee, the fees to which the county or municipality, as applicable,
19 was entitled before the vote shall be collected by the licensed
20 authorized organization or unit as defined by Section 2001.431 and
21 deposited as provided by Subsection (b)(3) [~~(b)(2)~~].

22 SECTION 9. Section 2001.513(a), Occupations Code, is
23 amended to read as follows:

24 (a) At any time within three years after a person is
25 delinquent in the payment of an amount of the fee on prizes due to
26 the commission, the commission may collect the amount under this
27 section.

1 SECTION 10. Section 2001.514(a), Occupations Code, is
2 amended to read as follows:

3 (a) To secure payment due to the commission of the fee on
4 prizes imposed under this subchapter, each license holder shall
5 furnish to the commission:

6 (1) a cash bond;

7 (2) a bond from a surety company chartered or
8 authorized to do business in this state;

9 (3) certificates of deposit;

10 (4) certificates of savings;

11 (5) United States treasury bonds;

12 (6) subject to the approval of the commission, an
13 assignment of negotiable stocks or bonds; or

14 (7) other security as the commission considers
15 sufficient.

16 SECTION 11. Section 2001.515, Occupations Code, is amended
17 to read as follows:

18 Sec. 2001.515. COMMISSION'S DUTIES. The commission shall
19 perform all functions incident to the administration, collection,
20 enforcement, and operation of the fee on prizes imposed under this
21 subchapter for amounts due to the commission, including any
22 necessary reconciliation of a prize fee held by the commission that
23 is due to a county or municipality.

24 SECTION 12. Sections 2001.420(a) and 2001.459(b),
25 Occupations Code, are repealed.

26 SECTION 13. Notwithstanding any other law, if an executive
27 order issued by the governor before the effective date of this Act

1 had the effect of prohibiting the conduct of bingo occasions under
2 Chapter 2001, Occupations Code, the payment by a licensed
3 authorized organization to a licensed commercial lessor of rent
4 charges that were incurred and paid during the period in which the
5 conduct of bingo was prohibited are not subject to:

6 (1) the limits on rent charged provided by Section
7 2001.406(a), Occupations Code; or

8 (2) the requirement that an item of expense for the
9 conduct of bingo be reasonable or necessary provided by Section
10 2001.458(a), Occupations Code.

11 SECTION 14. Not later than January 1, 2024, the Texas
12 Lottery Commission shall adopt the rules necessary to implement the
13 changes in law made by this Act to Chapter 2001, Occupations Code.

14 SECTION 15. This Act takes effect September 1, 2023.