

Amend CSSB 270 (House Committee Report) as follows:

(1) In SECTION 34 of the bill, amending Section 2001.002, Occupations Code (page 25, lines 24 and 25), strike the introductory language and substitute "Section 2001.002, Occupations Code, is amended by amending Subdivisions (5) and (6) and adding Subdivision (9-a) to read as follows:".

(2) In SECTION 34 of the bill, immediately following amended Subdivision (6), Section 2001.002, Occupations Code (page 26, between lines 23 and 24), insert the following:

(9-a) "Electronic pull-tab bingo" means an electronic version of pull-tab bingo that is displayed on a card-minding device in which a person purchases from a point of sale station an electronic ticket face, instead of a ticket made of paper or paper products, that is issued from a finite deal of tickets in which some of the tickets have been designated in advance as winning tickets.

(3) Add the following appropriately numbered SECTIONS and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2001.054, Occupations Code, is amended to read as follows:

Sec. 2001.054. RULEMAKING AUTHORITY. (a) The commission may adopt rules to enforce and administer this chapter.

(b) The commission has broad authority to adopt rules to administer Sections 2001.409(b) and 2001.4095.

SECTION _____. Section 2001.408, Occupations Code, is amended to read as follows:

Sec. 2001.408. OTHER METHODS FOR PLAYING BINGO. Subject to the commission's rules, bingo may be played using a pull-tab bingo ticket or an electronic pull-tab bingo ticket.

SECTION _____. Section 2001.409, Occupations Code, is amended to read as follows:

Sec. 2001.409. CARD-MINDING DEVICES. (a) A person may not use a card-minding device:

(1) to generate [~~or determine~~] the random letters, numbers, or other symbols used in playing the bingo card played with the device's assistance;

(2) as a receptacle for the deposit of tokens or money in payment for playing the bingo card played with the device's

assistance; or

(3) as a dispenser for the payment of a bingo prize, including coins, paper currency, or a thing of value for the bingo card played with the device's assistance.

(b) A person may use a card-minding device to:

(1) account for and track electronic credits purchased at a point of sale station or won by playing bingo or electronic pull-tab bingo; and

(2) exchange electronic credits described by Subdivision (1) through an electronic communication with a point of sale station for electronic bingo card faces or electronic pull-tab bingo tickets that may be played by the person during a bingo occasion. ~~[Not more than 40 percent of the individuals attending a bingo occasion, based on the average of two previously submitted quarterly reports, may use electronic or mechanical card-minding devices. This subsection does not apply to pull-tab bingo.]~~

SECTION _____. Subchapter I, Chapter 2001, Occupations Code, is amended by adding Section 2001.4095 to read as follows:

Sec. 2001.4095. CARD-MINDING DEVICE FOR DISPLAY OF ELECTRONIC PULL-TAB BINGO TICKET FACE. (a) A card-minding device used to display an electronic pull-tab bingo ticket face must be manufactured in accordance with the specifications provided by commission rule and is subject to testing by the commission.

(b) The commission may audit sales records relating to the sale of electronic pull-tab bingo ticket faces. The commission may investigate a violation or alleged violation of this section.

(c) The commission at any time may inspect a card-minding device used to display an electronic pull-tab bingo ticket face.

(d) The manufacturer of a card-minding device used to display an electronic pull-tab bingo ticket face shall maintain a central communications system or facility to provide the commission with the ability to review and audit electronic pull-tab bingo sales records.

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

(b) For bingo games other than pull-tab bingo and electronic pull-tab bingo, a person may not offer or award on a single bingo

occasion prizes with an aggregate value of more than \$2,500.

SECTION _____. Subchapter I, Chapter 2001, Occupations Code, is amended by adding Section 2001.421 to read as follows:

Sec. 2001.421. PRIZE PAYOUT PERCENTAGE. The prize payout percentage for an electronic pull-tab bingo game may not be less than the prize payout percentage established for a paper pull-tab bingo game.

SECTION _____. Subchapter K, Chapter 2001, Occupations Code, is amended by adding Section 2001.5015 to read as follows:

Sec. 2001.5015. ELECTRONIC PULL-TAB BINGO TAX. (a) A tax is imposed on a manufacturer for each electronic pull-tab bingo ticket provided by the manufacturer to a distributor.

(b) The tax rate is one-quarter of one cent for each electronic pull-tab bingo ticket provided.

SECTION _____. Section 2001.510(a), Occupations Code, is amended to read as follows:

(a) If a license holder fails to make a required return, or if a person conducts bingo without a license, the commission shall make an estimate of the prizes awarded at a bingo occasion, ~~[or of]~~ the gross rentals received by a license holder for the rental of premises, or the number of electronic pull-tab bingo tickets sold. The commission shall make the estimate for the period in respect to which the license holder or other person failed to make a return.

SECTION _____. Section 2001.511(a), Occupations Code, is amended to read as follows:

(a) If the commission believes that the collection of a gross rental tax, tax on electronic pull-tab bingo tickets, or fee on prizes, an amount of the tax or fee on prizes required to be remitted to the state, or the amount of a determination will be jeopardized by delay, the commission shall make a determination of the tax or fee on prizes or amount of the tax or fee required to be collected, noting the finding of jeopardy on the determination. The determined amount is due and payable immediately.

SECTION _____. Section 2001.512, Occupations Code, is amended to read as follows:

Sec. 2001.512. APPLICATION OF TAX LAWS. (a) Subtitle B, Title 2, Tax Code, applies to the administration, collection, and

enforcement of the gross rentals tax imposed under Section 2001.501, the tax on electronic pull-tab bingo tickets imposed under Section 2001.5015, and the fee on prizes imposed under Section 2001.502 except as modified by this chapter.

(b) In applying the provisions of Subtitle B, Title 2, Tax Code, to the gross rentals tax imposed under Section 2001.501, the tax on electronic pull-tab bingo tickets imposed under Section 2001.5015, and the fee on prizes imposed under Section 2001.502 only, the fee on prizes is treated as if it were a tax and the powers and duties assigned to the comptroller under that subtitle are assigned to the commission.

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

(a) At any time within three years after a person is delinquent in the payment of an amount of gross rentals tax, tax on electronic pull-tab bingo tickets, or fee on prizes, the commission may collect the amount under this section.

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

(a) To secure payment of the tax on gross rentals, the tax on electronic pull-tab bingo tickets, or the fee on prizes imposed under this subchapter, each license holder shall furnish to the commission:

- (1) a cash bond;
- (2) a bond from a surety company chartered or authorized to do business in this state;
- (3) certificates of deposit;
- (4) certificates of savings;
- (5) United States treasury bonds;
- (6) subject to the approval of the commission, an assignment of negotiable stocks or bonds; or
- (7) other security as the commission considers sufficient.

SECTION _____. The Texas Lottery Commission shall adopt rules to administer electronic pull-tab bingo and regulate electronic pull-tab minding devices under Chapter 2001, Occupations Code, as amended by this Act, not later than October 1,

2003, and may adopt the initial rules in the manner provided by law for emergency rules.