

By: Flores

H.B. No. 2443

Substitute the following for H.B. No. 2443:

By: Jones of Lubbock

C.S.H.B. No. 2443

A BILL TO BE ENTITLED

AN ACT

relating to the authorization of satellite bingo games.

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

SECTION 1. Section 2001.002, Occupations Code, is amended by adding Subdivision (29) to read as follows:

(29) "Satellite bingo game" means a single bingo game in which players participate simultaneously at two or more locations and for which there is a common prize pool and a common selection of numbers or symbols conducted at a single location, with the results of the selection transmitted electronically to each participating location by satellite, telephone, or other means.

SECTION 2. Subchapter I, Chapter 2001, Occupations Code, is amended by adding Section 2001.421 to read as follows:

Sec. 2001.421. REGULATION OF SATELLITE BINGO. (a) Sections 2001.402 and 2001.420 do not apply to a satellite bingo game.

(b) The commission by rule may exempt a satellite bingo game or a person who conducts or participates in a satellite bingo game or who holds a license under this chapter from any other provision of this chapter if the commission determines the exemption is necessary to facilitate the operation and administration of satellite bingo games.

SECTION 3. Subchapter C, Chapter 2001, Occupations Code, is

1 amended by adding Section 2001.108 to read as follows:

2 Sec. 2001.108. SATELLITE BINGO SERVICE PROVIDER'S LICENSE.

3 (a) To provide satellite bingo services, in any manner, for the use  
4 of licensed authorized organizations, a person must obtain a  
5 satellite bingo service provider's license from the commission.

6 (b) An applicant for a license under this section must file  
7 with the commission a written application that includes:

8 (1) the name and address of the applicant;

9 (2) if a noncorporate entity, the name and address of  
10 each owner;

11 (3) if a corporation, the name and address of each  
12 officer and director and each person owning 10 percent or more of  
13 any class of stock in the corporation;

14 (4) information regarding whether the applicant or any  
15 person who is required to be named in the application has been  
16 convicted of a felony, criminal fraud, a gambling or  
17 gambling-related offense, or a crime of moral turpitude; and

18 (5) information regarding whether the applicant or any  
19 person required to be named in the application is an owner, officer,  
20 director, shareholder, agent, or employee of a commercial lessor  
21 licensed under this chapter.

22 (c) A person is not eligible for a license under this  
23 section if:

24 (1) the person has been convicted of a felony,  
25 criminal fraud, a gambling or gambling-related offense, or a crime  
26 of moral turpitude and it has been less than 10 years since the  
27 termination of the sentence, parole, or probation related to the

1 offense; or

2 (2) the person is an owner, officer, or director of a  
3 holder of a commercial lessor, manufacturer, or distributor  
4 licensed under this chapter.

5 (d) The fee for a satellite bingo service provider's license  
6 is \$5,000 plus an amount to cover any cost incurred to conduct  
7 criminal background checks in connection with the application for  
8 the license or license renewal.

9 (e) The commission shall revoke the license of a satellite  
10 bingo service provider if any disqualification under this section  
11 occurs within the license period.

12 (f) A satellite bingo service provider may purchase goods or  
13 services from a licensed manufacturer.

14 (g) The commission may inspect the satellite bingo service  
15 provider's services. The satellite bingo service provider shall  
16 provide to the commission any information requested that relates to  
17 the complaint. The commission shall prescribe procedures for  
18 investigating and resolving complaints against a satellite bingo  
19 service provider.

20 (h) A satellite bingo service provider shall be bonded in an  
21 amount established by rule of the commission. The amount of the  
22 bond may not be less than \$50,000 or more than \$250,000.

23 (i) A satellite bingo service provider shall establish a  
24 bank account into which all proceeds from each satellite bingo game  
25 for which the provider provides services shall be deposited, less  
26 any prizes paid. Only the following disbursements may be made from  
27 the satellite bingo bank account:

- (1) payment of prizes;
- (2) payment of taxes and fees on prizes;
- (3) allocation payments to participating licensed authorized organizations;
- (4) payments for facility access fees; and
- (5) payments to a satellite bingo service provider for operating costs.

(j) Allocation payments to a licensed authorized organization participating in satellite bingo shall be made monthly. An organization is entitled to receive a portion of the satellite bingo proceeds from each month that is based on the number of satellite bingo sessions the organization conducted at a particular facility that month, divided by the total number of satellite bingo sessions conducted in the facility that month. The total amount of allocation payments made to all participating licensed authorized organizations for a month may not be less than 25 percent of the gross receipts derived from satellite bingo games conducted at the facility in that month.

(k) The satellite bingo service provider shall pay a facility access fee to a lessor or licensed authorized entity for the purpose of installing satellite equipment. The fee may not be less than five percent of the gross receipts derived from satellite bingo games conducted at a facility.

SECTION 4. Subchapter K, Chapter 2001, Occupations Code, is amended by adding Section 2001.516 to read as follows:

Sec. 2001.516. FEES ON SATELLITE BINGO GAME. (a) Sections 2001.502, 2001.503, and 2001.504 do not apply to a satellite bingo

1 game.

2 (b) A satellite bingo service provider shall collect a fee  
3 from each person who wins a prize in a satellite bingo game for  
4 which that provider provides services.

5 (c) The fee imposed by this section is 10 percent of the  
6 amount or value of the prize.

7 (d) The commission shall prescribe procedures for delivery  
8 to the commission of fees imposed under this section. Revenue  
9 collected by the commission under this section shall first be used  
10 by the commission to offset the cost of administering the  
11 provisions of this chapter regulating satellite bingo and satellite  
12 bingo games. The commission shall transfer any revenue remaining  
13 after those administrative costs have been recovered by the  
14 commission to the comptroller.

15 SECTION 5. This Act takes effect October 1, 2003.