

By: Flores

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 (30) to read as follows:

(30) "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 conducting or participating in a satellite bingo game or who holds a license under this Act from any other provision of this Act 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, gambling or gambling-related  
17 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 Act.

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 licensed under this Act.

4 (d) The fee for a satellite bingo service provider's license  
5 is \$5,000 plus any cost incurred to conduct the criminal background  
6 checks.

7 (e) A license for a satellite bingo service provider shall  
8 be revoked if any disqualifications under this section occur within  
9 the license period.

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

12 (g) The commission, on receipt of a complaint, may inspect  
13 the satellite bingo service provider's services. The satellite  
14 bingo service provider shall provide to the commission any  
15 information requested that relates to the complaint. The executive  
16 director of the bingo division of the commission shall establish  
17 procedures for investigating and resolving complaints against a  
18 satellite bingo service provider.

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

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

26 (1) payment of prizes;

27 (2) payment of taxes and fees on prizes;

1           (3) allocation payments to participating licensed  
2 authorized organizations;

3           (4) payments for facility access fees; and

4           (5) payments to a satellite bingo service provider for  
5 operating costs.

6           (j) Allocation payments to a licensed authorized  
7 organization participating in satellite bingo shall be made  
8 monthly. An organization shall receive a portion of the satellite  
9 bingo proceeds that is based on the number of satellite bingo  
10 sessions the organization conducted at a particular facility that  
11 month, divided by the total number of satellite bingo sessions  
12 conducted in the facility that month. The total amount of  
13 allocation payments made to all participating licensed authorized  
14 organizations may not be less than 17.5 percent of the gross  
15 receipts derived from satellite bingo games conducted in the  
16 facility that month.

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

19           Sec. 2001.516. FEES ON SATELLITE BINGO GAME. (a) Sections  
20 2001.502, 2001.503, and 2001.504, do not apply to a satellite bingo  
21 game.

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

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

27           (d) Revenue collected by the commission under this section

1 shall first be used by the commission to offset the cost of  
2 administering the provisions of this Act regulating satellite bingo  
3 and satellite bingo games. The commission shall transfer any  
4 revenue remaining after those administrative costs have been  
5 recovered by the commission to the comptroller.

6 (e) On receipt of revenue collected by the commission under  
7 this section, the comptroller shall transfer the revenue to a trust  
8 fund established for the perpetual support and maintenance of a  
9 veterans cemetery system, until the total amount of money in the  
10 trust fund is \$50 million. After the amount of money in the trust  
11 fund first reaches \$50 million, the comptroller shall transfer  
12 revenue collected under this section to the general revenue fund.

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