

Amend CSHB 3540 by adding the following appropriately numbered article to the bill and renumbering existing articles of the bill accordingly:

ARTICLE ____ . AUTHORIZATION OF LICENSED BINGO ORGANIZATIONS TO
CONDUCT CHARITABLE POKER GAMES

SECTION ____ .01. The heading to Section 2001.051, Occupations Code, is amended to read as follows:

Sec. 2001.051. CONTROL AND SUPERVISION OF BINGO AND POKER;
BINGO DIVISION.

SECTION ____ .02. Sections 2001.051(b) and (c), Occupations Code, are amended to read as follows:

(b) The commission has broad authority and shall exercise strict control and close supervision over all bingo and poker conducted in this state so that bingo and poker are [~~is~~] fairly conducted and the proceeds derived from bingo and poker are used for an authorized purpose.

(c) The commission shall execute its authority through a bingo division established by the commission to administer this chapter. The commission has the same enforcement authority to regulate the conduct of poker under this chapter as the commission has to regulate bingo.

SECTION ____ .03. Section 2001.055, Occupations Code, is amended to read as follows:

Sec. 2001.055. REGULATION OF GAMES. (a) The commission by rule may establish the number and type of bingo games that may be played during a bingo occasion.

(b) The commission has broad authority to adopt rules relating to the number, type, and conduct of poker games that may be played by a licensed authorized organization under Subchapter O.

SECTION ____ .04. Section 2001.413, Occupations Code, is amended to read as follows:

Sec. 2001.413. ADMISSION CHARGE REQUIRED. Except as provided by Section 2001.4155, a licensed authorized organization may not offer or provide to a person the opportunity to play bingo or poker without charge.

SECTION ____ .05. Section 2001.416, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not prohibit a licensed authorized organization from conducting a charitable poker game under Subchapter O.

SECTION ____ .06. Section 2001.458(a), Occupations Code, is amended to read as follows:

(a) An item of expense may not be incurred or paid in connection with the conduct of bingo or poker except an expense that is reasonable or necessary to conduct bingo or poker, including an expense for:

- (1) advertising, including the cost of printing bingo gift certificates;
- (2) security;
- (3) repairs to premises and equipment;
- (4) bingo and poker supplies and equipment;
- (5) prizes;
- (6) stated rental or mortgage and insurance expenses;
- (7) bookkeeping, legal, or accounting services relating to bingo;
- (8) fees for callers, cashiers, ushers, dealers, janitorial services, and utility supplies and services;
- (9) license fees;
- (10) attending a bingo seminar or convention required under Section 2001.107; and
- (11) debit card transaction fees.

SECTION ____ .07. Section 2001.459(a), Occupations Code, is amended to read as follows:

(a) The following items of expense incurred or paid in connection with the conduct of bingo or poker must be paid from an organization's bingo account:

- (1) advertising, including the cost of printing bingo gift certificates;
- (2) security during a bingo occasion;
- (3) the purchase or repair of bingo or poker supplies and equipment;
- (4) prizes, other than authorized cash prizes;
- (5) stated rental expenses;
- (6) bookkeeping, legal, or accounting services;

(7) fees for callers, cashiers, dealers, and ushers;
(8) janitorial services;
(9) license fees; and
(10) payment for services provided by a system service provider.

SECTION ____ .08. Section 2001.502, Occupations Code, is amended to read as follows:

Sec. 2001.502. PRIZE FEE. (a) A licensed authorized organization shall collect from a person who wins a bingo prize or a prize at a poker game a fee in the amount of five percent of the amount or value of the prize.

(b) The commission shall define what constitutes a prize for the purposes of poker conducted under this chapter. A poker prize may include a prize based on:

(1) a prize paid to a person from entry fees charged to participate in a poker game; or

(2) a buy-out paid to a person participating in a poker game, less any money the person pays as a buy-in for the poker game.

SECTION ____ .09. Chapter 2001, Occupations Code, is amended by adding Subchapter O to read as follows:

SUBCHAPTER O. CHARITABLE POKER

Sec. 2001.701. DEFINITION. In this subchapter, "poker" means a game played with cards of a type traditionally referred to as poker in which:

(1) a participant bets or plays for money;

(2) no participant in the game receives any economic benefit from that participation other than personal winnings; and

(3) except for the advantage of skill or luck, the risks of losing and the chances of winning at the card game are the same for all participants.

Sec. 2001.702. CHARITABLE POKER. A licensed authorized organization may conduct charitable poker games in addition to bingo at the location and times permitted by the organization's license to conduct bingo.

Sec. 2001.703. ENTRY FEE. A licensed authorized organization may charge an entry fee for a person to play a poker game conducted under this subchapter.

Sec. 2001.704. MINORS. An individual younger than 18 years of age may not play poker conducted under a license issued under this chapter.

Sec. 2001.705. PROCEEDS. (a) A licensed authorized organization shall deposit all funds derived from the conduct of poker authorized under this subchapter, less the amount authorized as cash prizes, in the organization's bingo account, as required by Section 2001.451.

(b) Funds deposited in the bingo account under Subsection (a) are subject to the same provisions and requirements as funds derived from the conduct of bingo under Subchapter J.

Sec. 2001.706 APPLICABILITY OF CHAPTER TO CHARITABLE POKER. (a) A licensed authorized organization that conducts poker under this subchapter is subject to the same restrictions, obligations, and duties as are applicable to the conduct of charitable bingo under this chapter.

(b) The commission shall have the same powers and duties to investigate, audit, or regulate an authorized organization, commercial lessor, manufacturer, distributor, or unit manager, or to deny, revoke, or suspend the license of that person, for a violation of this chapter or a commission rule related to poker conducted under this subchapter as the commission has for charitable bingo under this chapter.

Sec. 2001.707. RULEMAKING AUTHORITY. The commission has broad rulemaking authority regarding the licensing and regulation of poker conducted under this subchapter so that poker is fairly conducted and the proceeds derived from poker are used for an authorized purpose, including authority regarding:

(1) limitations on entrance fees, buy-ins and buy-outs, number and amounts of bets, number and amounts of prizes, number of occasions and time limits, and reasonable and necessary expenses associated with conducting poker;

(2) approval of and restrictions on the use of poker equipment, including cards, chips, and tables;

(3) rules of play, including types of poker games authorized, deal, play, rank of poker hands, betting, and conduct of tournaments; and

(4) fairness and integrity of poker games, including
player disputes, incorrect hands, cards exposed in dealing, and
improper shuffle or cut.

SECTION ____ .10. This article takes effect October 1, 2005.