

BILL ANALYSIS

Senate Research Center
80R21203 YDB-D

H.B. 2265
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State Affairs
5/21/2007
Committee Report (Amended)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law limits the amount that can be awarded during each bingo occasion to \$2,500 for regular bingo, with no more than \$750 permitted to be awarded per bingo game. Additionally, a bingo game is required to be completed during the session in which it is started and the prize is required to be awarded for a bingo game during the session in which the bingo game begins. Charities believe that a progressive format would increase bingo participation by allowing the award of a larger prize.

H.B. 2265 authorizes a charity to continue a bingo game across more than one bingo occasion and to award a consolation prize and add prizes that are not awarded during one occasion to prize money in a subsequent occasion in order to create a larger, growing amount until the jackpot is won, not to exceed \$2,500. This bill provides that while the progressive bingo game consists of a regular bingo play, the progressive jackpot money would be outside of the regular bingo limit of \$2,500 per occasion and could exceed the current per game limit up to that amount. Finally, this bill provides that only one progressive bingo game could be conducted per occasion and only one consolation prize, not to exceed \$250, could be awarded per occasion.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Lottery Commission in SECTION 3 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2001.002, Occupations Code, by adding Subdivisions (8-a), (13-a), and (23-a), to define "consolation prize," "jackpot prize," and "progressive bingo game."

SECTION 2. Amends Section 2001.420, Occupations Code, by amending Subsections (a) and (b) and adding Subsections (d), (e), and (f), as follows:

- (a) Provides an exception in Subsection (d) from the prohibition of a bingo prize having a value of more than \$750 for a single game.
- (b) Provides an exception for progressive bingo games from the prohibition of a person offering or awarding on a single bingo occasion prizes with an aggregate value of more than \$2,500. Provides that a jackpot or consolation prize offered or awarded in a progressive bingo game during a bingo occasion is not included in the aggregated value of prizes awarded at a single bingo occasion for purposes of this subsection.
- (d) Prohibits a jackpot or consolation prize from having a value of more than \$2,500 for a single progressive bingo game.
- (e) Authorizes a licensed authorized organization to offer only one progressive bingo game during each bingo occasion.
- (f) Prohibits a consolation prize in a progressive bingo game described by Subsection (b) from exceeding \$250 and authorizes such a prize to be offered only once during each bingo occasion.

SECTION 3. Requires the Texas Lottery Commission to adopt the rules necessary to implement the changes in law made by this Act to Chapter 2001 (Bingo), Occupations Code, as soon as practicable after the effective date of this Act.

SECTION 4. Effective date: upon passage or September 1, 2007.

SUMMARY OF COMMITTEE CHANGES

Committee Amendment No. 1

(1) Amends SECTION 2 of the bill (house engrossment, page 1, lines 20-22), by striking the recital and substituting the following:

Amends Section 2001.420, Occupations Code, by adding Subsections (b-1), (d), (e), (f), and (g), as follows:

(2) Amends SECTION 2 of the bill, by striking amended Sections 2001.420(a) and (b), Occupations Code (house engrossment, page 1, line 23 through page 2, line 7), and substituting the following:

(b-1) Authorizes a person to offer or award on a single bingo occasion prizes for progressive bingo games with an aggregate value of more than the maximum amount prescribed by Subsection (b), notwithstanding Subsection (b). Provides that a jackpot consolation prize offered or awarded in a progressive bingo game during a bingo occasion is not included in the aggregated value of prizes awarded at a single bingo occasion for purposes of Subsection (b).

(3) Amends SECTION 2 of the bill, by striking added Subsection (d), Section 2001.420, Occupations Code (house engrossment, page 2, lines 8 and 9), and substituting the following:

(d) Prohibits a jackpot prize for a single progressive bingo game from having a value of more than \$2,500, notwithstanding Subsection (a).

(4) Amends SECTION 2 of the bill, by adding Section 2001.420(g), Occupations Code (house engrossment, page 2, between lines 16 and 17), to provide that Subsections (b-1), (d), (e), (f), and (g) expire September 1, 2011.

(5) Adds the following appropriately numbered SECTIONS to the bill and renumbers subsequent SECTIONS of the bill accordingly:

SECTION__. Repealer, effective September 1, 2011: Sections 2001.002(8-a), (13-a), and (23-a) (defining "consolation prize," "jackpot prize," and "progressive bingo game"), Occupations Code.

SECTION__. Requires the Texas Lottery Commission (commission), not later than January 1, 2011, to prepare and submit to certain elected officials a report on the implementation of progressive bingo by licensed authorized organizations as authorized by the changes in law made by this Act and on the effect of the implementation on net bingo proceeds available for charitable purposes.

Committee Amendment No. 2

(1) Amends SECTION 1 of the bill (house engrossment, page 1, line 6), between "by" and "adding," by inserting "amending Subdivisions (11) and (19) and ".

(2) Amends SECTION 1 of the bill, in proposed Subdivision (8-a), Section 2001.002, Occupations Code, between "organization" and "to" (house engrossment, page 1, line 9), by inserting "or tribal fraternal organization."

(3) Amends SECTION 1 of the bill, in proposed Subdivision (13-a), Section 2001.002, Occupations Code, between "organization" and "to" (house engrossment, page 1, line 13), by inserting "or tribal fraternal organization".

(4) Amends SECTION 1 of the bill, in amended Section 2001.002, Occupations Code (house engrossment, page 1, between lines 14 and 15), by amending Subdivisions (11) and (19), to redefine "fraternal organization" and "nonprofit organization."

(5) Amends SECTION 1 of the bill, in proposed Subdivision (23-a), Section 2001.002, Occupations Code, between "organization" and "until" (house engrossment, page 1, line 17), by inserting "or tribal fraternal organization".

(6) Amends SECTION 2 of the bill, in proposed Section 2001.420(e), Occupations Code, between "organization" and "may" (house engrossment, page 2, line 10), by inserting "or tribal fraternal organization".

(7) Inserts the following appropriately numbered SECTION and renumbers subsequent SECTIONS accordingly:

SECTION __. Amends Subchapter C, Chapter 2001, Occupations Code, by adding Section 2001.1015, as follows:

Sec. 2001.1015. CHARITABLE BINGO BY TRIBAL FRATERNAL ORGANIZATION. (a) Authorizes a nonprofit organization in existence for at least 180 days that qualifies as a fraternal organization under Section 2001.002(11)(C) to conduct bingo on the reservation of the Indian tribe under whose tribal law the organization is organized on adoption by the tribe of rules governing the conduct of bingo by the organization that conform to the substantive provisions of this chapter (Bingo) and of Sections 47(b) and (c) (regarding authorization and regulation of bingo games), Article III, Texas Constitution.

(b) Authorizes an organization described by Subsection (a), in accordance with Sections 107(b) and 207(b), Ysleta del Sur Pueblo and Alabama-Coushatta Indian Tribes of Texas Restoration Act (25 U.S.C. Sections 1300g-6(b) and 737(b)), to conduct bingo activities in accordance with the tribe's rules adopted under Subsection (a) without submitting to the regulatory jurisdiction, including licensing requirements, of this state.

(c) Prohibits a nonprofit organization from conducting bingo under this section unless certain conditions are met.

(d) Prohibits a nonprofit organization from conducting bingo under this section unless the organization reports quarterly to the comptroller of public accounts the amount of revenue that the organization collects from the games and the purposes for which the revenue is spent. Authorizes the commission to impose an administrative civil penalty against the organization for a violation of the quarterly reporting requirement. Prohibits the amount of the administrative penalty from exceeding \$1,000 for each violation.