

1-1 By: Haggerty (Senate Sponsor - Averitt) H.B. No. 2265
1-2 (In the Senate - Received from the House April 27, 2007;
1-3 May 1, 2007, read first time and referred to Committee on State
1-4 Affairs; May 22, 2007, reported favorably, as amended, by the
1-5 following vote: Yeas 5, Nays 0; May 22, 2007, sent to printer.)

1-6 COMMITTEE AMENDMENT NO. 1 By: Duncan

1-7 Amend H.B. No. 2265 as follows:

1-8 (1) In SECTION 2 of the bill (page 3, lines 44 through 46),
1-9 strike the recital and substitute the following:

1-10 Section 2001.420, Occupations Code, is amended by adding
1-11 Subsections (b-1), (d), (e), (f), and (g) to read as follows:

1-12 (2) In SECTION 2 of the bill, strike amended Subsections (a)
1-13 and (b), Section 2001.420, Occupations Code (page 3, line 47
1-14 through page 3, line 55), and substitute the following:

1-15 (b-1) Notwithstanding Subsection (b), a person may offer or
1-16 award on a single bingo occasion prizes for progressive bingo games
1-17 with an aggregate value of more than the maximum amount prescribed
1-18 by Subsection (b). A jackpot prize or consolation prize offered or
1-19 awarded in a progressive bingo game during a bingo occasion is not
1-20 included in the aggregated value of prizes awarded at a single bingo
1-21 occasion for purposes of Subsection (b).

1-22 (3) In SECTION 2 of the bill, strike added Subsection (d),
1-23 Section 2001.420, Occupations Code (page 3, lines 56 and 57), and
1-24 substitute the following:

1-25 (d) Notwithstanding Subsection (a), a jackpot prize for a
1-26 single progressive bingo game may not have a value of more than
1-27 \$2,500.

1-28 (4) In SECTION 2 of the bill, following added Subsection
1-29 (f), Section 2001.420, Occupations Code (page 3, between lines 64
1-30 and 65), insert the following:

1-31 (g) Subsections (b-1), (d), (e), and (f) and this subsection
1-32 expire September 1, 2011.

1-33 (5) Add the following appropriately numbered SECTIONS to
1-34 the bill and renumber subsequent SECTIONS of the bill accordingly:

1-35 SECTION __. Effective September 1, 2011, Sections
1-36 2001.002(8-a), (13-a), and (23-a), Occupations Code, are repealed.

1-37 SECTION __. Not later than January 1, 2011, the Texas
1-38 Lottery Commission shall prepare and submit to the governor, the
1-39 lieutenant governor, the speaker of the house of representatives,
1-40 and the members of the legislature a report on:

1-41 (1) the implementation of progressive bingo by
1-42 licensed authorized organizations as authorized by the changes in
1-43 law made by this Act; and

1-44 (2) the effect of the implementation on net bingo
1-45 proceeds available for charitable purposes.

1-46 COMMITTEE AMENDMENT NO. 2 By: Van de Putte

1-47 Amend H.B. No. 2265 as follows:

1-48 (1) In the recital to SECTION 1 of the bill, between "by" and
1-49 "adding" (House engrossment, page 3, line 30), insert "amending
1-50 Subdivisions (11) and (19) and".

1-51 (2) In SECTION 1 of the bill, in proposed Subdivision (8-a),
1-52 Section 2001.002, Occupations Code, between "organization" and
1-53 "to" (House engrossment, page 3, line 33), insert "or tribal
1-54 fraternal organization".

1-55 (3) In SECTION 1 of the bill, in proposed Subdivision
1-56 (13-a), Section 2001.002, Occupations Code, between "organization"
1-57 and "to" (House engrossment, page 3, line 37), insert "or tribal
1-58 fraternal organization".

1-59 (4) In SECTION 1 of the bill, in amended Section 2001.002,
1-60 Occupations Code (House engrossment, page 3, between lines 35 and
1-61 36), insert the following:

1-62 (11) "Fraternal organization" means any of the

2-1 following other than an organization whose members are
 2-2 predominantly veterans or dependents of veterans of the armed
 2-3 services of the United States:

2-4 (A) a nonprofit organization organized to
 2-5 perform and engaged primarily in performing charitable,
 2-6 benevolent, patriotic, employment-related, or educational
 2-7 functions that meet the other requirements of this chapter; ~~[or]~~

2-8 (B) a nonprofit National Historical District
 2-9 Association representing the owners and lessees of a majority of
 2-10 the real property located in a National Historical District
 2-11 designated for not less than five years by the National Register of
 2-12 Historic Places, Heritage Conservation and Recreation Service of
 2-13 the United States Department of the Interior, if the association's
 2-14 net proceeds are used for restoration, construction, maintenance,
 2-15 and security in the district; or

2-16 (C) a nonprofit organization that:

2-17 (i) is organized under tribal law by a
 2-18 federally recognized Indian tribe that is not subject to the Indian
 2-19 Gaming Regulatory Act (18 U.S.C. Section 1166 et seq. and 25 U.S.C.
 2-20 Section 2701 et seq.) and that exercises tribal authority over a
 2-21 reservation, as defined by 25 U.S.C. Section 731 or 1300g; and

2-22 (ii) is organized to perform and is engaged
 2-23 primarily in performing charitable, benevolent, patriotic,
 2-24 employment-related, or educational functions. ~~[The term "fraternal~~
 2-25 ~~organization" does not include an organization whose members are~~
 2-26 ~~predominantly veterans or dependents of veterans of the armed~~
 2-27 ~~services of the United States.]~~

2-28 (19) "Nonprofit organization" means:

2-29 (A) an unincorporated association or a
 2-30 corporation that is incorporated or holds a certificate of
 2-31 authority under the Texas Non-Profit Corporation Act (Article
 2-32 1396-1.01 et seq., Vernon's Texas Civil Statutes), that ~~[The~~
 2-33 ~~organization]~~:

2-34 (i) does ~~[(A) may]~~ not distribute any of
 2-35 its income to its members, officers, or governing body, other than
 2-36 as reasonable compensation for services; and

2-37 (ii) has ~~[(B) must have obtained]~~ tax
 2-38 exempt status under Section 501(c), Internal Revenue Code of 1986;
 2-39 or

2-40 (B) a tribal organization formed by a federally
 2-41 recognized Indian tribe that exercises tribal authority over a
 2-42 reservation, as defined by 25 U.S.C. Section 731 or 1300g, to engage
 2-43 primarily in performing charitable, benevolent, patriotic,
 2-44 employment-related, or educational functions.

2-45 (5) In SECTION 1 of the bill, in proposed Subdivision
 2-46 (23-a), Section 2001.002, Occupations Code, between "organization"
 2-47 and "until" (House engrossment, page 3, line 41), insert "or tribal
 2-48 fraternal organization".

2-49 (6) In SECTION 2 of the bill, in proposed Subsection (e),
 2-50 Section 2001.420, Occupations Code, between "organization" and
 2-51 "may" (House engrossment, page 3, line 58), insert "or tribal
 2-52 fraternal organization".

2-53 (7) Insert the following appropriately numbered SECTION and
 2-54 renumber subsequent SECTIONS accordingly:

2-55 SECTION __. Subchapter C, Chapter 2001, Occupations Code,
 2-56 is amended by adding Section 2001.1015 to read as follows:

2-57 Sec. 2001.1015. CHARITABLE BINGO BY TRIBAL FRATERNAL
 2-58 ORGANIZATION. (a) A nonprofit organization in existence for at
 2-59 least 180 days that qualifies as a fraternal organization under
 2-60 Section 2001.002(11)(C) may conduct bingo on the reservation of the
 2-61 Indian tribe under whose tribal law the organization is organized
 2-62 on adoption by the tribe of rules governing the conduct of bingo by
 2-63 the organization that conform to the substantive provisions of this
 2-64 chapter and of Sections 47(b) and (c), Article III, Texas
 2-65 Constitution.

2-66 (b) In accordance with Sections 107(b) and 207(b), Ysleta
 2-67 del Sur Pueblo and Alabama-Coushatta Indian Tribes of Texas
 2-68 Restoration Act (25 U.S.C. Sections 1300g-6(b) and 737(b)), an
 2-69 organization described by Subsection (a) may conduct bingo

3-1 activities in accordance with the tribe's rules adopted under
 3-2 Subsection (a) without submitting to the regulatory jurisdiction,
 3-3 including licensing requirements, of this state.

3-4 (c) A nonprofit organization may not conduct bingo under
 3-5 this section unless:

3-6 (1) the organization transfers to this state on a
 3-7 monthly basis an amount equal to five percent of the organization's
 3-8 adjusted gross receipts from bingo in the manner prescribed by the
 3-9 comptroller;

3-10 (2) all other proceeds are spent in Texas for
 3-11 charitable purposes;

3-12 (3) the games are limited to one location as defined by
 3-13 law on property owned or leased by the organization; and

3-14 (4) the games are conducted, promoted, and
 3-15 administered by members of the organization.

3-16 (d) A nonprofit organization may not conduct bingo under
 3-17 this section unless the organization reports quarterly to the
 3-18 comptroller the amount of revenue that the organization collects
 3-19 from the games and the purposes for which the revenue is spent. The
 3-20 commission may impose an administrative civil penalty against the
 3-21 organization for a violation of the quarterly reporting
 3-22 requirement. The amount of the administrative penalty may not
 3-23 exceed \$1,000 for each violation.

3-24 A BILL TO BE ENTITLED
 3-25 AN ACT

3-26 relating to the award of prizes in, and the conduct of, a
 3-27 progressive bingo game.

3-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

3-29 SECTION 1. Section 2001.002, Occupations Code, is amended
 3-30 by adding Subdivisions (8-a), (13-a), and (23-a) to read as
 3-31 follows:

3-32 (8-a) "Consolation prize" means a prize offered or
 3-33 awarded by a licensed authorized organization to a player in a
 3-34 progressive bingo game at a bingo occasion during which no player
 3-35 wins the jackpot prize for the progressive bingo game.

3-36 (13-a) "Jackpot prize" means a prize offered or
 3-37 awarded by a licensed authorized organization to the winner of a
 3-38 progressive bingo game.

3-39 (23-a) "Progressive bingo game" means a bingo game in
 3-40 which the prize amount may be increased over successive bingo
 3-41 occasions of the same licensed authorized organization until a
 3-42 player completes the winning pattern for the game specified by the
 3-43 organization.

3-44 SECTION 2. Section 2001.420, Occupations Code, is amended
 3-45 by amending Subsections (a) and (b) and adding Subsections (d),
 3-46 (e), and (f) to read as follows:

3-47 (a) Except as provided by Subsection (d), a [A] bingo prize
 3-48 may not have a value of more than \$750 for a single game.

3-49 (b) For bingo games other than pull-tab bingo or progressive
 3-50 bingo games, a person may not offer or award on a single bingo
 3-51 occasion prizes with an aggregate value of more than \$2,500. A
 3-52 jackpot prize or consolation prize offered or awarded in a
 3-53 progressive bingo game during a bingo occasion is not included in
 3-54 the aggregated value of prizes awarded at a single bingo occasion
 3-55 for purposes of this subsection.

3-56 (d) A jackpot prize or consolation prize may not have a
 3-57 value of more than \$2,500 for a single progressive bingo game.

3-58 (e) A licensed authorized organization may offer only one
 3-59 progressive bingo game during each bingo occasion.

3-60 (f) A consolation prize in a progressive bingo game
 3-61 described by Subsection (b):

3-62 (1) may not exceed \$250; and

3-63 (2) may be offered only once during each bingo
 3-64 occasion.

3-65 SECTION 3. As soon as practicable after the effective date
 3-66 of this Act, the Texas Lottery Commission shall adopt the rules
 3-67 necessary to implement the changes in law made by this Act to

4-1 Chapter 2001, Occupations Code.

4-2 SECTION 4. This Act takes effect immediately if it receives
4-3 a vote of two-thirds of all the members elected to each house, as
4-4 provided by Section 39, Article III, Texas Constitution. If this
4-5 Act does not receive the vote necessary for immediate effect, this
4-6 Act takes effect September 1, 2007.

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