

**House Bill 2265**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

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

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

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SECTION \_\_. Section 466.015, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The commission shall adopt rules governing instant games that:

(1) close instant games after all top prizes in the game have been claimed or on an earlier date as determined by the executive director; and

(2) provide procedures for the timely closing of an instant game that end the sale of instant game tickets beyond the 46th day after a game has been closed.

SECTION 1. Section 2001.002, Occupations Code, is amended by amending Subdivisions (11) and (19) and adding Subdivisions (8-a), (13-a), and (23-a) to read as follows:

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

(11) "Fraternal organization" means **any of the following other than an organization whose members are predominantly veterans or dependents of veterans of the armed services of the United States:**

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

(B) a nonprofit National Historical District Association

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representing the owners and lessees of a majority of the real property located in a National Historical District designated for not less than five years by the National Register of Historic Places, Heritage Conservation and Recreation Service of the United States Department of the Interior, if the association's net proceeds are used for restoration, construction, maintenance, and security in the district; or

(C) a nonprofit organization that:

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

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

(19) "Nonprofit organization" means:

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

(i) does [~~-(A) may~~] not distribute any of its income to its members, officers, or governing body, other than as

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

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

No equivalent provision.

reasonable compensation for services; and  
~~(ii) has [(B)—must have obtained]~~ tax exempt status under Section 501(c), Internal Revenue Code of 1986; or  
(B) a tribal organization formed by a federally recognized Indian tribe that exercises tribal authority over a reservation, as defined by 25 U.S.C. Section 731 or 1300g, to engage primarily in performing charitable, benevolent, patriotic, employment-related, or educational functions.

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

(23-a) "Progressive bingo game" means a bingo game in which the prize amount may be increased over successive bingo occasions of the same licensed authorized organization or tribal fraternal organization until a player completes the winning pattern for the game specified by the organization.

SECTION \_\_. Subchapter C, Chapter 2001, Occupations Code, is amended by adding Section 2001.1015 to read as follows:

Sec. 2001.1015. CHARITABLE BINGO BY TRIBAL FRATERNAL ORGANIZATION. (a) A nonprofit organization in existence for at least 180 days that qualifies as a fraternal organization under Section 2001.002(11)(C) may conduct bingo on the reservation of the Indian tribe under whose tribal law the organization is organized on adoption by the tribe of

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rules governing the conduct of bingo by the organization that conform to the substantive provisions of this chapter and of Sections 47(b) and (c), Article III, Texas Constitution.

(b) 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)), an organization described by Subsection (a) may 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) A nonprofit organization may not conduct bingo under this section unless:

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

(2) all other proceeds are spent in Texas for charitable purposes;

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

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

(d) A nonprofit organization may not conduct bingo under this section unless the organization reports quarterly to the comptroller the amount of revenue that the organization collects from the games and the purposes for which the revenue is spent. The commission

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may impose an administrative civil penalty against the organization for a violation of the quarterly reporting requirement. The amount of the administrative penalty may not exceed \$1,000 for each violation.

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

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

(b) **For bingo games other than pull-tab bingo or progressive bingo games, a person may not offer or award on a single bingo occasion prizes with an aggregate value of more than \$2,500. A jackpot prize 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.**

SECTION 2. Section 2001.420, Occupations Code, is amended by adding Subsections **(b-1)**, (d), (e), (f), **and (g)** to read as follows:

**(b-1) Notwithstanding Subsection (b), a person may 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). A jackpot prize 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 Subsection (b).**

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

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

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

(1) may not exceed \$250; and

(2) may be offered only once during each bingo occasion.

No equivalent provision.

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

(e) A licensed authorized organization **or tribal fraternal organization** may offer only one progressive bingo game during each bingo occasion.

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

(1) may not exceed \$250; and

(2) may be offered only once during each bingo occasion.

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

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

SECTION \_\_. Not later than January 1, 2011, the Texas Lottery Commission shall prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the members of the legislature a report on:

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

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

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

Same as House version.

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

Same as House version.