

By: Geren

H.B. No. 1474

Substitute the following for H.B. No. 1474:

By: Thompson

C.S.H.B. No. 1474

A BILL TO BE ENTITLED

AN ACT

relating to the operation and regulation of charitable bingo and the use of bingo proceeds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2001.002, Occupations Code, is amended by adding Subdivisions (4-a), (8-a), and (25-a) and amending Subdivisions (6) and (11) to read as follows:

(4-a) "Bingo chairperson" means an officer or member of the board of directors of a licensed authorized organization who is designated in writing by the organization as responsible for overseeing the organization's bingo activities and reporting to the membership relating to those activities.

(6) "Bingo occasion" means a single gathering or session at which a bingo game or ~~[all activities incident to the conduct of]~~ a series of bingo games, including selling and redeeming pull-tab bingo tickets, are conducted on the day and at the times listed on the license issued to ~~[by]~~ a licensed authorized organization ~~[, including the organization's licensed times and any preparatory or concluding activities incident to the conduct of bingo].~~

(8-a) "Crime of moral turpitude" means:

(A) a felony;

(B) a gambling offense;

(C) criminal fraud;

1           (D) forgery;

2           (E) theft;

3           (F) an offense that involves filing false  
4 information with a governmental agency; or

5           (G) any offense that:

6                 (i) is classified in this state as a Class A  
7 misdemeanor; and

8                 (ii) puts the honesty and integrity of the  
9 individual who committed the offense in question.

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

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

18                 (B) a nonprofit National Historical District  
19 Association representing the owners and lessees of a majority of  
20 the real property located in a National Historical District  
21 designated for not less than three ~~[five]~~ years by the National  
22 Register of Historic Places, Heritage Conservation and Recreation  
23 Service of the United States Department of the Interior, if the  
24 association's net proceeds are used for restoration, construction,  
25 maintenance, and security in the district; or

26                 (C) an organization that is exempt from federal  
27 income taxes under Section 501(a), Internal Revenue Code of 1986,

1 by being listed as an exempt organization under Section 501(c)(2),  
2 (3), (4), (5), (6), (7), (8), (9), (10), or (13), Internal Revenue  
3 Code of 1986. [The term "fraternal organization" does not include  
4 an organization whose members are predominantly veterans or  
5 dependents of veterans of the armed services of the United States.]

6 (25-a) "Regular license" means a license to conduct  
7 bingo that is issued by the commission and that expires on the first  
8 or second anniversary of the date of issuance unless revoked or  
9 suspended before that date by the commission. The term includes an  
10 annual license.

11 SECTION 2. Section 2001.059, Occupations Code, is amended  
12 by amending Subsection (a) and adding Subsection (g) to read as  
13 follows:

14 (a) An officer, bingo chairperson, or authorized  
15 representative of a license holder or an attorney, accountant, or  
16 bookkeeper employed or retained by a license holder [A person] may  
17 request from the commission an advisory opinion regarding  
18 compliance with this chapter and the rules of the commission.

19 (g) The commission may refuse to issue an advisory opinion  
20 under this section on a matter that the commission knows to be in  
21 active litigation.

22 SECTION 3. Subchapter B, Chapter 2001, Occupations Code, is  
23 amended by adding Section 2001.060 to read as follows:

24 Sec. 2001.060. REPORTING. (a) On or before June 1 of each  
25 even-numbered year, the commission shall prepare and deliver to the  
26 governor, the lieutenant governor, the speaker of the house of  
27 representatives, and the chairs of the standing committees of the

1 senate and house of representatives with primary jurisdiction over  
2 charitable bingo a report stating for each of the preceding two  
3 calendar years:

4 (1) the total amount of adjusted gross receipts  
5 reported by licensed authorized organizations from their bingo  
6 operations;

7 (2) the total amount of net proceeds reported by  
8 licensed authorized organizations from their bingo operations; and

9 (3) a comparison of the amounts reported under  
10 Subdivisions (1) and (2), including the percentage that the net  
11 proceeds represents of the adjusted gross receipts.

12 (b) For purposes of Subsection (a), "adjusted gross  
13 receipts" means the amount remaining after deducting prizes paid,  
14 excluding prize fees collected from bingo players.

15 (c) For purposes of Subsection (a), the commission shall  
16 determine the total amount of net proceeds in a manner that does not  
17 reduce gross receipts by the amount of rent paid for the rental of  
18 bingo premises by a licensed authorized organization to another  
19 licensed authorized organization if the other organization pays  
20 rent for the premises to a licensed commercial lessor.

21 SECTION 4. Section 2001.101(a), Occupations Code, is  
22 amended to read as follows:

23 (a) The commission may license a person who is an authorized  
24 organization eligible for a license to conduct bingo if the person  
25 is:

26 (1) a religious society that has existed in this state  
27 for at least three [~~eight~~] years;

1 (2) a nonprofit organization:

2 (A) whose predominant activities are for the  
3 support of medical research or treatment programs; and

4 (B) that for at least three years:

5 (i) must have had a governing body or  
6 officers elected by a vote of members or by a vote of delegates  
7 elected by the members; or

8 (ii) must have been affiliated with a state  
9 or national organization organized to perform the same purposes as  
10 the nonprofit organization;

11 (3) a fraternal organization;

12 (4) a veterans organization that has existed in this  
13 state for at least three years; [or]

14 (5) a volunteer fire department that has existed in  
15 this state for at least three years; or

16 (6) a volunteer emergency medical services provider  
17 that has existed in this state for at least three years.

18 SECTION 5. Sections 2001.102(a) and (b), Occupations Code,  
19 are amended to read as follows:

20 (a) An applicant for a license to conduct bingo must file  
21 with the commission an [~~a written, executed, and verified~~]  
22 application on a form prescribed by the commission.

23 (b) The application must include:

24 (1) the name and address of the applicant;

25 (2) the names and addresses of the applicant's  
26 officers and directors;

27 (3) the address of the premises where and the time when

1 the applicant intends to conduct bingo under the license sought;

2 (4) the name and address of the licensed commercial  
3 lessor of the premises, if the applicant intends to lease premises  
4 to conduct bingo from a person other than an authorized  
5 organization;

6 (5) ~~[the capacity or potential capacity for public  
7 assembly in any premises owned or occupied by the applicant];~~

8 ~~[(6) the amount of rent to be paid or other  
9 consideration to be given, directly or indirectly, for each  
10 occasion for use of the premises of another licensed authorized  
11 organization or for use of the premises of a licensed commercial  
12 lessor];~~

13 ~~[(7) all other items of expense intended to be  
14 incurred or paid in connection with conducting, promoting, and  
15 administering bingo and the names and addresses of the persons to  
16 whom, and the purposes for which, the expenses are to be paid];~~

17 ~~[(8) the specific purposes to and the manner in which  
18 the net proceeds of bingo are to be devoted];~~

19 [(9)] a statement that the net proceeds of bingo will  
20 go to one or more of the authorized charitable purposes under this  
21 chapter;

22 (6) [(10)] a designation of the applicant  
23 organization's bingo chairperson ~~[one or more active members of the~~  
24 ~~applicant organization]~~ under whom bingo will be conducted  
25 accompanied by a statement signed by the chairperson ~~[each~~  
26 ~~designated member]~~ stating that the chairperson ~~[member]~~ will be  
27 responsible for the conduct of bingo under the terms of the license

1 and this chapter;

2 (7) [(11) a statement that a copy of the application  
3 has been sent to the appropriate governing body;

4 [(12) the name and address of each person who will work  
5 at the proposed bingo occasion, the nature of the work to be  
6 performed, and a statement as to whether the person has been  
7 convicted of a felony, a gambling offense, criminal fraud, or a  
8 crime of moral turpitude; and

9 [(13)] sufficient facts relating to the applicant's  
10 incorporation and organization to enable the commission to  
11 determine whether the applicant is an authorized organization;

12 (8) a copy of the applicant organization's most  
13 recently filed Internal Revenue Service Form 990, if applicable;

14 (9) a letter of good standing from the applicant  
15 organization's parent organization, if the organization receives  
16 an exemption from federal income taxes as a member of a group of  
17 organizations;

18 (10) copies of the applicant organization's organizing  
19 instruments, including any bylaws, constitution, charter, and  
20 articles of incorporation;

21 (11) verification of the applicant organization's good  
22 standing with the secretary of state if the organization is  
23 organized under the law of this state; and

24 (12) information necessary to conduct criminal  
25 background checks on the applicant organization's officers and  
26 directors.

27 SECTION 6. Section 2001.103(e), Occupations Code, is

1 amended to read as follows:

2 (e) Notwithstanding Subsection (c), an authorized  
3 organization that holds an annual [~~a regular~~] license to conduct  
4 bingo may receive not more than 24 [~~12~~] temporary licenses during  
5 the 12-month period following the issuance or renewal of the  
6 license. The holder of a license that is effective for two years  
7 may receive not more than 24 temporary licenses for each 12-month  
8 period that ends on an anniversary of the date the license was  
9 issued or renewed.

10 SECTION 7. Section 2001.104, Occupations Code, is amended  
11 by amending Subsections (b) and (d) and adding Subsection (e) to  
12 read as follows:

13 (b) The commission by rule shall establish procedures to  
14 determine if the appropriate license fee [~~At the end of the license~~  
15 ~~period the license holder and the commission shall compute the~~  
16 ~~amount of gross receipts actually recorded during the license~~  
17 ~~period to determine if the appropriate fee amount~~] was paid.

18 (d) An applicant shall pay the fees established under  
19 Subsection (a) annually. An applicant for a license or renewal of a  
20 license may obtain a license that is effective for two years by  
21 paying an amount equal to two times the amount of the annual license  
22 fee, or by paying the license fee for the first year at the time the  
23 applicant submits the application and the fee for the second year  
24 not later than the first anniversary of the date the license becomes  
25 effective [~~plus \$25~~].

26 (e) A licensed authorized organization may pay in advance,  
27 or establish an escrow account with the commission to cover, fees



1 assessed under this chapter for the amendment of a license or  
2 issuance of a temporary license.

3 SECTION 8. Section 2001.105(b), Occupations Code, is  
4 amended to read as follows:

5 (b) The commission may not issue a license to an authorized  
6 organization to conduct bingo if an officer or member of the board  
7 of directors of the organization has been convicted of a felony,  
8 criminal fraud, a gambling or gambling-related offense, or a crime  
9 of moral turpitude if less than 10 years has elapsed since the  
10 termination of a sentence, parole, mandatory supervision, or  
11 community supervision served for the offense.

12 SECTION 9. Section 2001.106, Occupations Code, is amended  
13 to read as follows:

14 Sec. 2001.106. FORM AND CONTENTS OF LICENSE. A license to  
15 conduct bingo must include:

- 16 (1) the name and address of the license holder;
- 17 (2) the name and address of the bingo chairperson  
18 [~~names and addresses of the member or members~~] of the license holder  
19 under whom the bingo will be conducted; and
- 20 (3) the address [~~an indication~~] of the premises where  
21 and the time when bingo is to be conducted[~~+~~
- 22 [~~(4) the specific purposes to which the net proceeds~~  
23 ~~of bingo are to be devoted, and~~
- 24 [~~(5) a statement of whether a prize is to be offered~~  
25 ~~and the amount of any authorized prize]~~.

26 SECTION 10. Section 2001.107(a), Occupations Code, is  
27 amended to read as follows:

1           (a) Unless the organization is a member of a unit that  
2 designates a unit manager under Section 2001.437, the bingo  
3 chairperson for a licensed authorized organization [~~The person~~  
4 ~~designated under Section 2001.102(b)(10)] shall complete the  
5 [eight hours of] training required [~~as provided~~] by commission  
6 rule. For a unit operating under Subchapter I-1, the unit manager  
7 shall complete the training if the unit designates a unit manager  
8 under Section 2001.437.~~

9           SECTION 11. Sections 2001.108(b) and (c), Occupations Code,  
10 are amended to read as follows:

11           (b) If the other organization ceased or will cease  
12 conducting bingo for the reason stated in Subsection (a)(1), the  
13 commission must act on the joint application filed under Subsection  
14 (a) not later than the 14th [~~10th~~] day after the date the  
15 application is filed with the commission.

16           (c) If the other organization ceased or will cease  
17 conducting bingo for the reason stated in Subsection (a)(2), the  
18 commission must act on the joint application filed under Subsection  
19 (a) not later than the 14th [~~10th~~] day after the date the  
20 application is filed with the commission or the date on which the  
21 termination takes effect, whichever is later.

22           SECTION 12. Sections 2001.158(b) and (d), Occupations Code,  
23 are amended to read as follows:

24           (b) The commission by rule shall establish procedures for  
25 determining if the appropriate license fee [~~At the end of the~~  
26 ~~license period, the license holder and the commission shall compute~~  
27 ~~the amount of the gross rentals actually recorded during the~~

1 ~~license period to determine if the appropriate fee amount]~~ was  
2 paid.

3 (d) An applicant for a commercial lessor license shall pay  
4 the fees established under Subsection (a) annually. An applicant  
5 for a license or renewal of a license may obtain a license that is  
6 effective for two years by paying an amount equal to two times the  
7 amount of the annual license fee, or by paying the license fee for  
8 the first year at the time the applicant submits the application and  
9 the license fee for the second year not later than the first  
10 anniversary of the date the license becomes effective ~~[plus \$25]~~.

11 SECTION 13. The heading to Section 2001.159, Occupations  
12 Code, is amended to read as follows:

13 Sec. 2001.159. LICENSE ISSUANCE OR RENEWAL.

14 SECTION 14. Section 2001.159(a), Occupations Code, is  
15 amended to read as follows:

16 (a) The commission shall issue or renew a commercial lessor  
17 license if the commission determines that:

18 (1) the applicant has paid the license fee as provided  
19 by Section 2001.158;

20 (2) the applicant qualifies to be licensed under this  
21 chapter;

22 (3) ~~[the applicant satisfies the requirements for a~~  
23 ~~commercial lessor under this subchapter,~~

24 ~~[(4)]~~ the rent to be charged is fair and reasonable  
25 ~~[and will be charged and collected in compliance with Section~~  
26 ~~2001.406];~~

27 (4) ~~[(5) there is no diversion of the funds of the~~

1 ~~proposed lessee from the lawful purposes under this chapter;~~

2           ~~[(6)]~~ the person whose signature or name appears in  
3 the application is in all respects the real party in interest and is  
4 not an undisclosed agent or trustee for the real party in interest;  
5 and

6           (5) ~~[(7)]~~ the applicant will lease the premises for  
7 the conduct of bingo in accordance with this chapter.

8           SECTION 15. Section 2001.203, Occupations Code, is amended  
9 to read as follows:

10           Sec. 2001.203. MANUFACTURER'S LICENSE APPLICATION. (a) An  
11 applicant for a manufacturer's license must file with the  
12 commission an ~~[a written verified]~~ application on a form prescribed  
13 by the commission.

14           (b) The application must include:

15           (1) the name and address of the applicant and the name  
16 and address of each of its locations where bingo supplies or  
17 equipment are manufactured;

18           (2) a full description of each type of bingo supply or  
19 equipment that the applicant intends to manufacture or market in  
20 this state and the brand name, if any, under which each item will be  
21 sold;

22           (3) ~~[the name and address of the applicant and]~~ if the  
23 applicant:

24           (A) is not a corporation, the name and home  
25 address of each owner; or

26           (B) is a corporation, the name and home address  
27 of each officer and director and each person owning more than 10

1 percent [~~or more~~] of a class of stock in the corporation;

2 (4) if the applicant is a foreign corporation or other  
3 foreign legal entity, the name, business name and address, and  
4 [~~home~~] address of its registered agent for service in this state;

5 (5) the name and address of each manufacturer,  
6 supplier, and distributor in which the applicant has a financial  
7 interest and the details of that financial interest, including any  
8 indebtedness between the applicant and the manufacturer, supplier,  
9 or distributor of \$5,000 [~~\$500~~] or more;

10 (6) information regarding whether the applicant or a  
11 person required to be named in the application has been convicted in  
12 this state or another state of a felony, criminal fraud, a gambling  
13 or gambling-related offense, or a crime of moral turpitude;

14 (7) information regarding whether the applicant or a  
15 person required to be named in the application is an owner, officer,  
16 director, shareholder, agent, or employee of a licensed commercial  
17 lessor or conducts, promotes, administers, or assists in  
18 conducting, promoting, or administering bingo for which a license  
19 is required by this chapter;

20 (8) information regarding whether the applicant or a  
21 person required to be named in the application is a public officer  
22 or public employee in this state;

23 (9) the name of each state in which the applicant is or  
24 has been licensed to manufacture, distribute, or supply bingo  
25 equipment or supplies, each license number, the period of time  
26 licensed under each license, and whether a license has been  
27 revoked, suspended, withdrawn, canceled, or surrendered and, if so,

1 the reasons for the action taken;

2 (10) information regarding whether the applicant or a  
3 person required to be named in the application is or has been a  
4 professional gambler or gambling promoter;

5 (11) the names and addresses of each manufacturer,  
6 supplier, or distributor of bingo equipment or supplies in which  
7 the applicant or a person required to be named in the application is  
8 an owner, officer, shareholder, director, agent, or employee; and

9 (12) any other information the commission requests.

10 SECTION 16. Section 2001.208(b), Occupations Code, is  
11 amended to read as follows:

12 (b) The application must include:

13 (1) the full name and address of the applicant;

14 (2) the name and address of each location operated by  
15 the distributor from which bingo supplies or equipment are  
16 distributed or at which bingo supplies or equipment are stored;

17 (3) if a noncorporate distributor, the name and home  
18 address of each owner;

19 (4) if a corporate distributor, the name and home  
20 address of each officer or director and of each person owning more  
21 than ~~[at least]~~ 10 percent of a class of stock in the corporation;

22 (5) if a foreign corporation or other foreign legal  
23 entity, the name, business name and address, and ~~[home]~~ address of  
24 its registered agent for service in this state;

25 (6) a full description of the type of bingo supply or  
26 equipment that the applicant intends to store or distribute in this  
27 state and the name of the manufacturer of each item and the brand

1 name, if any, under which the item will be sold or marketed;

2 (7) the name and address of a manufacturer, supplier,  
3 or distributor in which the applicant has a financial interest and  
4 the details of that financial interest, including an indebtedness  
5 between the applicant and the manufacturer, supplier, or  
6 distributor of \$5,000 [~~\$500~~] or more;

7 (8) information regarding whether the applicant or a  
8 person required to be named in the application has been convicted in  
9 this state or another state of a felony, criminal fraud, a gambling  
10 or gambling-related offense, or a crime of moral turpitude;

11 (9) information regarding whether the applicant or a  
12 person required to be named in the application is an owner, officer,  
13 director, shareholder, agent, or employee of a licensed commercial  
14 lessor or conducts, promotes, administers, or assists in  
15 conducting, promoting, or administering bingo for which a license  
16 is required under this chapter;

17 (10) information regarding whether the applicant or a  
18 person required to be named in the application is a public officer  
19 or public employee in this state;

20 (11) the name of each state in which the applicant is  
21 or has been licensed to manufacture, distribute, or supply bingo  
22 equipment or supplies, each license number, the period of time  
23 licensed under each license, and whether a license was revoked,  
24 suspended, withdrawn, canceled, or surrendered and, if so, the  
25 reasons for the action taken;

26 (12) information regarding whether the applicant or a  
27 person required to be named in the application is or has been a

1 professional gambler or gambling promoter;

2 (13) the name and address of each manufacturer,  
3 supplier, or distributor of bingo equipment or supplies in which  
4 the applicant or a person required to be named in the application is  
5 an owner, officer, shareholder, director, agent, or employee; and

6 (14) any other information the commission requests.

7 SECTION 17. Sections 2001.211(b), (c), and (d), Occupations  
8 Code, are amended to read as follows:

9 (b) If a change occurs after issuance of a manufacturer's or  
10 distributor's license, the license holder shall report the change  
11 to the commission not later than the 14th [~~10th~~] day after the date  
12 of the change.

13 (c) Not later than the 14th [~~10th~~] day after the date of the  
14 change, a license holder shall notify the commission of a change in:

15 (1) the license holder's organization, structure, or  
16 mode of operation;

17 (2) the identity of persons named or required to be  
18 named in the application and the nature or extent of those persons'  
19 interest; or

20 (3) any other facts stated in the application.

21 (d) Failure to give a notice required under this section is  
22 cause for :

23 (1) denial, suspension, or revocation of a license; or

24 (2) imposition of an administrative penalty or other  
25 administrative action.

26 SECTION 18. Subchapter G, Chapter 2001, Occupations Code,  
27 is amended by adding Section 2001.3025 to read as follows:



1       Sec. 2001.3025. ACCESS TO CRIMINAL HISTORY RECORD  
2 INFORMATION. The commission is entitled to conduct an  
3 investigation of and is entitled to obtain criminal history record  
4 information maintained by the Department of Public Safety, the  
5 Federal Bureau of Investigation identification division, or  
6 another law enforcement agency to assist in the investigation of:

7           (1) an applicant for or holder of a license issued  
8 under this chapter;

9           (2) a person required to be named in a license  
10 application; or

11           (3) an employee or other person who works or will work  
12 for a license holder and who is required by another provision of  
13 this chapter to undergo a criminal background check.

14       SECTION 19. Section 2001.306(c), Occupations Code, is  
15 amended to read as follows:

16       (c) The holder of a license to conduct bingo may not change  
17 the location at which it conducts bingo until it has:

18           (1) returned [~~surrendered~~] its original license if  
19 available, or certified that the license is not available; and

20           (2) received an amended license for the new location.

21       SECTION 20. Section 2001.313, Occupations Code, is amended  
22 by amending Subsections (a), (b), (d), (e), (f), and (g) and adding  
23 Subsections (b-1), (h), and (i) to read as follows:

24       (a) To minimize duplicate criminal history background  
25 checks by the commission and the costs incurred by organizations  
26 and individuals, the commission shall maintain a registry of  
27 individuals [~~persons~~] on whom the commission has conducted a

1 criminal history background check and who are approved to be  
2 involved in the conduct of bingo or to act as a bingo operator.

3 (b) An individual [~~A person~~] listed in the registry may be  
4 involved in the conduct of bingo or act as an operator at any  
5 location at which bingo is lawfully conducted.

6 (b-1) An individual's listing on the registry expires on the  
7 third anniversary of the date the individual was initially included  
8 on the registry. The individual may renew the listing before the  
9 expiration date. If the individual fails to renew the listing, the  
10 commission shall remove the individual's name from the registry.  
11 An individual whose name is removed from the registry may reapply  
12 for listing on the registry.

13 (d) An individual [~~A person~~] who is not listed on the  
14 registry established by this section may not act, and a licensed  
15 authorized organization may not allow the individual to act, as an  
16 operator, manager, cashier, usher, caller, bingo chairperson,  
17 bookkeeper, or salesperson for the [~~a~~] licensed authorized  
18 organization.

19 (e) The commission may refuse to add an individual's [~~a~~  
20 ~~person's~~] name to, or remove an individual's [~~a person's~~] name from,  
21 the registry established by this section if, after notice and, if  
22 requested by the individual, a hearing, the individual [~~person~~] is  
23 finally determined to have:

24 (1) been convicted of an offense listed under Section  
25 2001.105(b);

26 (2) converted bingo equipment in a premises to an  
27 improper use;

1           (3) converted funds that are in, or that should have  
2 been in, the bingo account of any licensed authorized organization;

3           (4) taken any action, individually or in concert with  
4 another person, that affects the integrity of any bingo game to  
5 which this chapter applies; ~~[or]~~

6           (5) acted as an operator, manager, cashier, usher,  
7 caller, bingo chairperson, bookkeeper, or salesperson for a  
8 licensed authorized organization without being listed on the  
9 registry established under this section;

10           (6) failed to provide a complete application; or

11           (7) participated in any violation of this chapter or  
12 rules adopted by the commission for the administration of this  
13 chapter.

14           (f) A licensed authorized organization shall report to the  
15 commission or its designee the discovery of any conduct on the part  
16 of an individual [~~a person~~] registered or required to be registered  
17 under this section where there is substantial basis for believing  
18 that the conduct would constitute grounds for removal of the  
19 individual's [~~person's~~] name from, or refusal to add the  
20 individual's [~~person's~~] name to, the registry established by this  
21 section. A statement made in good faith to the commission or to an  
22 adjudicative body in connection with any such report may not be the  
23 basis for an action for defamation of character.

24           (g) An individual [~~A person~~] who has been finally determined  
25 to have taken action prohibited by Subsection (e)(2), (3), (4),  
26 ~~[or]~~ (5), (6), or (7) cannot be listed on the registry of approved  
27 bingo workers and cannot work as a bingo worker for one year from

1 the date of such determination. Upon expiration of the one-year  
2 period, the individual [~~person~~] is eligible for listing on the  
3 registry provided a licensee subject to this chapter makes  
4 application to list the individual [~~person~~]. In such event, the  
5 commission shall take into consideration the facts and  
6 circumstances that occurred that led to the applicable action under  
7 Subsections (e)(2)-(7) [~~(e)(2)-(5)~~] in deciding whether to list the  
8 individual [~~person~~] on the registry.

9 (h) A licensed authorized organization may employ an  
10 individual who is not on the registry established by this section as  
11 an operator, manager, cashier, usher, caller, or salesperson on a  
12 provisional basis if the individual is awaiting the results of a  
13 background check by the commission:

14 (1) for a period not to exceed 14 days if the  
15 individual is a resident of this state; or

16 (2) for a period to be established by commission rule  
17 if the individual is not a resident of this state.

18 (i) An individual who has been removed from the registry  
19 under Subsection (e) and has not subsequently been listed on the  
20 registry under Subsection (g) may not be employed under Subsection  
21 (h).

22 SECTION 21. Section 2001.314, Occupations Code, is amended  
23 to read as follows:

24 Sec. 2001.314. IDENTIFICATION CARD FOR APPROVED BINGO  
25 WORKER. (a) The commission may require an individual [~~a person~~]  
26 listed in the registry maintained under Section 2001.313 to wear an  
27 identification card to identify the individual [~~person~~] to license

1 holders, bingo players, and commission staff while the individual  
2 [~~person~~] is on duty during the conduct of bingo. The commission by  
3 rule shall prescribe the form and content of the card.

4 (b) The commission shall provide the identification card  
5 and shall provide a form to be completed by an individual [~~a person~~]  
6 that allows the individual [~~person~~] to prepare the identification  
7 card. The commission may [~~shall~~] collect a reasonable charge to  
8 cover the cost of providing the card or form.

9 (c) An identification card required by the commission under  
10 this section to be worn by an individual [~~a person~~] while on duty  
11 during the conduct of bingo must be in substantial compliance with  
12 the form and content requirements prescribed by the commission  
13 under this section.

14 (d) The commission may not require any other individual  
15 [~~person~~] licensed under this chapter, or an individual [~~a person~~]  
16 acting on the license holder's behalf, to wear an identification  
17 card, whether or not the individual [~~person~~] is present or  
18 performing the individual's [~~person's~~] duties during the conduct of  
19 bingo.

20 SECTION 22. Subchapter G, Occupations Code, is amended by  
21 adding Sections 2001.315 and 2001.316 to read as follows:

22 Sec. 2001.315. LATE LICENSE RENEWAL. (a) A person who  
23 fails to renew the person's license under this chapter before the  
24 date the license expires may renew the license after the expiration  
25 date by:

26 (1) filing a license renewal application with the  
27 commission not later than the 14th day after the date the license

1 expires, paying the applicable annual license fee, and paying a  
2 late license renewal fee equal to 10 percent of the annual license  
3 fee; or

4 (2) filing a license renewal application with the  
5 commission not later than the 60th day after the date the license  
6 expires, paying the applicable annual license fee, and paying a  
7 late license renewal fee equal to 10 percent of the annual license  
8 fee for each 14-day period occurring after the date the license  
9 expires and before the date the renewal application is filed with  
10 the commission.

11 (b) A person who files a renewal application with the  
12 commission under Subsection (a) may continue to perform the bingo  
13 activities authorized under the license as if the license has not  
14 expired until the license is renewed or renewal of the license is  
15 denied.

16 (c) To renew a license after the 60th day after the date the  
17 license expires, the person must file an application for an  
18 original license and cease all bingo activities for which the  
19 license is required as of the 61st day after the date the license  
20 expires until a new license is issued.

21 Sec. 2001.316. DELIVERY OF COMMISSION NOTICE. If notice  
22 under this chapter is required to be given to an authorized  
23 organization, the commission shall send the notice to the bingo  
24 chairperson of the authorized organization and to the appropriate  
25 commercial lessor, if applicable.

26 SECTION 23. Section 2001.356(c), Occupations Code, is  
27 amended to read as follows:

1 (c) If a notice of temporary suspension is served on a  
2 license holder, the director of bingo operations shall  
3 simultaneously serve notice of a hearing, to be held not later than  
4 the 14th [~~10th~~] day after the date the notice is served, at which  
5 the license holder must show cause why the license should not be  
6 temporarily suspended on the 14th [~~10th~~] day after the date the  
7 notice is served. If the license holder does not show cause, the  
8 license is suspended.

9 SECTION 24. Section 2001.404, Occupations Code, is amended  
10 to read as follows:

11 Sec. 2001.404. PRINCIPAL LOCATION. A licensed authorized  
12 organization may conduct bingo only in:

13 (1) the county where the organization has its primary  
14 business office or another county contiguous to that county; or

15 (2) if the organization does not have a [~~has no~~]  
16 business office, in the county of the principal residence of its  
17 chief executive officer, or a contiguous county of this state.

18 SECTION 25. Section 2001.406(b), Occupations Code, is  
19 amended to read as follows:

20 (b) Rent for premises used for the conduct of bingo must be  
21 paid in a lump sum. Except as otherwise provided by this section,  
22 the [~~The~~] lump sum must include all expenses authorized by Section  
23 2001.458 that are paid by the licensed authorized organization to  
24 the lessor in connection with the use of the premises. A licensed  
25 authorized organization or unit may pay as a separate expense,  
26 based on the percentage of the total area of the lessor's facility  
27 that the organization or unit uses as the bingo premises for the

1 conduct of bingo, the organization's or unit's pro rata share of:

2 (1) property taxes on the facility that are paid by the  
3 lessor, excluding any penalties and interest on the taxes;

4 (2) water, electric, and gas utility expenses for the  
5 facility that are paid by the lessor, excluding any late fees or  
6 other penalties; and

7 (3) property and casualty insurance premiums for the  
8 facility that are paid by the lessor, excluding any late fees or  
9 other penalties.

10 SECTION 26. Section 2001.407(a), Occupations Code, is  
11 amended to read as follows:

12 (a) A licensed manufacturer may furnish, by sale or  
13 otherwise, bingo equipment or supplies to a licensed distributor.  
14 ~~A [Except as provided by Section 2001.257(b), a] licensed~~  
15 ~~manufacturer may not furnish, by sale or otherwise, bingo equipment~~  
16 ~~or supplies to a person other than a licensed distributor.~~

17 SECTION 27. Section 2001.411, Occupations Code, is amended  
18 by adding Subsection (c-1) to read as follows:

19 (c-1) An organization may designate as members of the  
20 organization one or more individuals who elect to become members,  
21 including all of the organization's directors, and the designated  
22 members are bona fide members of the organization for purposes of  
23 this section and other law.

24 SECTION 28. Section 2001.419, Occupations Code, is amended  
25 to read as follows:

26 Sec. 2001.419. BINGO OCCASIONS. (a) ~~[A bingo occasion~~  
27 ~~begins when the premises are opened to the public.~~



1           ~~[(b)]~~ A licensed authorized organization may not conduct  
2 more than three ~~[a]~~ bingo occasions ~~[occasion more often than three~~  
3 ~~days]~~ during a calendar week under an annual license ~~[and not to~~  
4 ~~exceed more than four hours during a 24-hour period]~~.

5           (b) A bingo occasion may not exceed four hours.

6           ~~(c) [A licensed authorized organization may conduct two~~  
7 ~~bingo occasions during a 24-hour period.]~~ No more than two bingo  
8 occasions may be conducted at the same premises during one day  
9 except that a third bingo occasion may be conducted under a  
10 temporary license held by a licensed authorized organization at  
11 that premises.

12           ~~(d) [No more than two licensed authorized organizations may~~  
13 ~~conduct bingo at the same premises during a 24-hour period.]~~ If  
14 more than one bingo occasion is conducted ~~[two organizations~~  
15 ~~conduct bingo]~~ at the same premises on the same day:

16           (1) [during a 24-hour period, the bingo occasions  
17 must be announced separately;

18           (2) the licensed times may not overlap; and

19           (3) bingo cards may be sold during a bingo occasion for  
20 play during a subsequent bingo occasion that is scheduled to begin  
21 at the same premises in not more than eight hours after the sale of  
22 cards for the subsequent occasion begins ~~[, and an intermission of~~  
23 ~~at least 10 minutes must occur between the bingo occasions]~~.

24           (e) Bingo paper and pull-tab bingo tickets for a bingo  
25 occasion may be sold at the licensed premises before the bingo  
26 occasion begins. ~~[If two licensed authorized organizations are~~  
27 ~~authorized to conduct bingo at the same premises on the same day,~~

1 ~~the bingo occasion of one organization may overlap with the bingo~~  
2 ~~occasion of the other organization, but their games must be~~  
3 ~~separated by the intermission required under Subsection (d). In~~  
4 ~~that event, the intermission is considered part of each~~  
5 ~~organization's bingo occasion.]~~

6 SECTION 29. Subchapter I-1, Chapter 2001, Occupations Code,  
7 is amended by adding Section 2001.4335 to read as follows:

8 Sec. 2001.4335. EXEMPTION FROM FRANCHISE TAX. A unit  
9 formed under this subchapter is exempt from the tax imposed under  
10 Chapter 171, Tax Code.

11 SECTION 30. Section 2001.435(b), Occupations Code, is  
12 amended to read as follows:

13 (b) Each member of a unit shall deposit into the unit's  
14 bingo account all funds derived from the conduct of bingo, less the  
15 amount awarded as cash prizes under Sections 2001.420(a) and (b).  
16 The deposit shall be made not later than the second [~~next~~] business  
17 day after the day of the bingo occasion on which the receipts were  
18 obtained.

19 SECTION 31. Section 2001.451, Occupations Code, is amended  
20 by amending Subsections (a), (b), (c), (d), and (e) and adding  
21 Subsections (g), (h), (i), (j), and (k) to read as follows:

22 (a) A licensed authorized organization shall establish and  
23 maintain one regular checking account designated as the  
24 organization's "bingo account." The organization may [~~also~~]  
25 maintain a separate [~~an~~] interest-bearing savings account  
26 designated as the "bingo savings account."

27 (b) A licensed authorized organization shall deposit in the

1 bingo account all funds derived from the conduct of bingo, less the  
2 amount awarded as cash prizes under Sections 2001.420(a) and (b).  
3 Except as provided by Subsection (b-1), a deposit must be made not  
4 later than the second ~~[next]~~ business day after the day of the bingo  
5 occasion on which the receipts were obtained.

6 (c) A licensed authorized organization may transfer ~~[lend]~~  
7 money from its general fund or other account to the organization's  
8 ~~[its]~~ bingo account or to the bingo account of a unit of which the  
9 organization is a member under Subchapter I-1, if applicable, if:

10 (1) the balance in the bingo account to which the funds  
11 are transferred is less than the maximum amount permitted by this  
12 section; and

13 (2) the organization notifies ~~[requests and receives~~  
14 ~~the prior approval of]~~ the commission of the transfer not later than  
15 the 14th day after the date of the transfer. ~~[Except as provided by~~  
16 ~~this section, no other funds may be deposited in the bingo account.]~~

17 (d) Except as permitted by Subsection (c), a [A] licensed  
18 authorized organization may not commingle gross receipts derived  
19 from the conduct of bingo with other funds of the organization.

20 (e) Except as permitted by Subsection (c) of this section  
21 and by Section 2001.453(2), a ~~[Sections 2001.453(a)(2) and (3),~~  
22 ~~the]~~ licensed authorized organization may not transfer gross  
23 receipts derived from the conduct of bingo to another account  
24 maintained by the organization.

25 (g) The bingo operations of a licensed authorized  
26 organization must:

27 (1) result in net proceeds over the organization's

1 license period; or

2 (2) if the organization has a two-year license, result  
3 in net proceeds over each 12-month period that ends on an  
4 anniversary of the date the two-year license was issued.

5 (h) Except as provided by Subsection (j), a licensed  
6 authorized organization or a unit of licensed authorized  
7 organizations may retain operating capital in the organization's or  
8 unit's bingo account in an amount that:

9 (1) is equal to the organization's or unit's actual  
10 average bingo expenses per quarter based on the preceding license  
11 period, excluding prizes paid; and

12 (2) does not exceed a total of \$50,000 for a single  
13 organization or \$50,000 for each member of a unit unless:

14 (A) the commission by rule establishes a higher  
15 amount for all organizations or units or one or more classes of  
16 organizations or units; or

17 (B) the bingo operations director, on request,  
18 raises the operating capital limit for one organization or unit as  
19 necessary to facilitate the operation of the organization or unit.

20 (i) Prize fees held in escrow for remittance to the  
21 commission are not included in the calculation of operating capital  
22 under Subsection (h).

23 (j) The commission shall adopt rules allowing a licensed  
24 authorized organization to retain a maximum amount of operating  
25 capital in the bingo account in excess of the amount provided by  
26 Subsection (h) if the organization:

27 (1) has conducted bingo for less than one year;

1           (2) experiences circumstances beyond the control of  
2 the organization, including force majeure, that necessitate an  
3 increase in operating capital; or

4           (3) provides to the commission a credible business  
5 plan for the conduct of bingo or for the organization's existing or  
6 planned charitable purposes that an increase in operating capital  
7 will reasonably further.

8           (k) A licensed authorized organization may apply to the  
9 commission for a waiver of the requirements of this section and  
10 Section 2001.457. The commission may grant the waiver on a showing  
11 of good cause by the organization that compliance with this section  
12 and Section 2001.457 is detrimental to the organization's existing  
13 or planned charitable purposes. An organization applying for a  
14 waiver establishes good cause by providing to the commission:

15           (1) credible evidence of circumstances beyond the  
16 control of the organization, including force majeure; or

17           (2) a credible business plan for the organization's  
18 conduct of bingo or the organization's existing or planned  
19 charitable purposes.

20           SECTION 32. Sections 2001.452(a) and (c), Occupations Code,  
21 are amended to read as follows:

22           (a) Funds from the bingo account must be withdrawn by  
23 electronic funds transfer or by preprinted, consecutively numbered  
24 checks or withdrawal slips, signed by an authorized representative  
25 of the licensed authorized organization and made payable to a  
26 person. A check or withdrawal slip may not be made payable to  
27 "cash," "bearer," or a fictitious payee. The nature of the payment

1 made must also be noted on the face of the check or withdrawal slip.  
2 The purpose, amount, and payee for each electronic funds transfer  
3 must be recorded in accordance with rules adopted by the  
4 commission.

5 (c) A licensed authorized organization shall [~~keep and~~]  
6 account for all checks and withdrawal slips, including voided  
7 checks and withdrawal slips.

8 SECTION 33. Section 2001.453, Occupations Code, is amended  
9 to read as follows:

10 Sec. 2001.453. AUTHORIZED USES OF BINGO ACCOUNT. [~~(a)~~] A  
11 licensed authorized organization may withdraw funds from [~~draw a~~  
12 ~~check on~~] its bingo account only for:

13 (1) the payment of necessary or [~~and~~] reasonable bona  
14 fide expenses, including compensation of personnel, as permitted  
15 under Section 2001.458 incurred and paid in connection with the  
16 conduct of bingo; or

17 (2) the disbursement of net proceeds derived from the  
18 conduct of bingo as provided by this subchapter [~~to charitable~~  
19 ~~purposes; or~~

20 [~~(3) the transfer of net proceeds derived from the~~  
21 ~~conduct of bingo to the organization's bingo savings account~~  
22 ~~pending a disbursement to a charitable purpose.~~

23 [~~(b) A licensed authorized organization must make the~~  
24 ~~disbursement of net proceeds on deposit in the bingo savings~~  
25 ~~account to a charitable purpose by transferring the intended~~  
26 ~~disbursement back into the organization's bingo account and then~~  
27 ~~withdrawing an amount by a check drawn on the bingo account].~~

1 SECTION 34. Sections 2001.457(a), (b), and (c), Occupations  
2 Code, are amended to read as follows:

3 (a) Before the end of each quarter, a licensed authorized  
4 organization shall disburse all [~~for charitable purposes an amount~~  
5 ~~not less than 35 percent~~] of the organization's net proceeds  
6 [~~adjusted gross receipts~~] from the preceding quarter, other than  
7 amounts retained under Section 2001.451, as provided by this  
8 subchapter [~~less the amount of authorized expenses not to exceed~~  
9 ~~six percent of the gross receipts~~].

10 (b) If a licensed authorized organization fails to meet the  
11 requirements of Subsection (a) [~~this section~~] for a quarter, the  
12 commission in applying appropriate sanctions shall [~~may~~] consider  
13 whether, taking into account the amount required to be disbursed  
14 [~~distributed~~] during that quarter and the three preceding quarters  
15 [~~and the charitable distributions for each of those quarters~~], the  
16 organization has disbursed [~~distributed~~] a total amount sufficient  
17 to have met the disbursement [~~35 percent~~] requirement for that  
18 quarter and the three preceding quarters combined.

19 (c) A licensed authorized organization that has ceased to  
20 conduct bingo for any reason and that has unexpended bingo funds  
21 shall disburse those funds as provided by this subchapter [~~to~~  
22 ~~charitable purposes~~] before the end of the next calendar quarter  
23 after the calendar quarter in which the organization ceases to  
24 conduct bingo.

25 SECTION 35. Section 2001.458(a), Occupations Code, is  
26 amended to read as follows:

27 (a) An item of expense may not be incurred or paid in

1 connection with the conduct of bingo except an expense that is  
2 reasonable or necessary to conduct bingo, including an expense for:

3 (1) advertising, including the cost of printing bingo  
4 gift certificates;

5 (2) security;

6 (3) repairs to premises and equipment;

7 (4) bingo supplies and equipment;

8 (5) prizes;

9 (6) stated rental or mortgage and insurance expenses;

10 (7) bookkeeping, legal, or accounting services  
11 related to bingo;

12 (8) fees for callers, cashiers, ushers, janitorial  
13 services, and utility supplies and services;

14 (9) license fees;

15 (10) attending a bingo seminar or convention required  
16 under Section 2001.107; and

17 (11) debit card transaction fees and electronic funds  
18 transfer fees.

19 SECTION 36. Section 2001.459(a), Occupations Code, is  
20 amended to read as follows:

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

24 (1) advertising, including the cost of printing bingo  
25 gift certificates;

26 (2) security during a bingo occasion;

27 (3) the purchase or repair of bingo supplies and



1 equipment;

2 (4) prizes, other than authorized cash prizes;

3 (5) stated rental expenses;

4 (6) bookkeeping, legal, or accounting services;

5 (7) fees for callers, cashiers, and ushers;

6 (8) janitorial services; and

7 (9) license fees[~~, and~~

8 [~~(10) payment for services provided by a system~~  
9 ~~service provider~~].

10 SECTION 37. Section 2001.502, Occupations Code, is amended  
11 to read as follows:

12 Sec. 2001.502. PRIZE FEE. A licensed authorized  
13 organization shall:

14 (1) collect from a person who wins a bingo prize of  
15 more than \$5 a fee in the amount of five percent of the amount or  
16 value of the prize; and

17 (2) remit to the commission a fee in the amount of five  
18 percent of the amount or value of all bingo prizes awarded.

19 SECTION 38. Sections 2001.505(a) and (b), Occupations Code,  
20 are amended to read as follows:

21 (a) A licensed authorized organization conducting bingo  
22 shall submit quarterly to the commission [~~and to the comptroller~~] a  
23 report under oath stating:

24 (1) the amount of the gross receipts derived from  
25 bingo;

26 (2) each item of expense incurred or paid;

27 (3) each item of expenditure made or to be made, the

1 name and address of each person to whom each item has been paid or is  
2 to be paid, and a detailed description of the merchandise purchased  
3 or the services rendered;

4 (4) the net proceeds derived from bingo;

5 (5) the use to which the proceeds have been or are to  
6 be applied; and

7 (6) a list of prizes offered and given, with their  
8 respective values.

9 (b) A license holder shall~~+~~

10 [~~(1)~~] maintain records to substantiate the contents of  
11 each report~~+, and~~

12 [~~(2)~~ ~~furnish a copy of each report to the appropriate~~  
13 ~~governing body~~].

14 SECTION 39. Section 2001.551(b), Occupations Code, is  
15 amended to read as follows:

16 (b) A person conducting, promoting, or administering bingo  
17 commits an offense if the person conducts, promotes, or administers  
18 bingo other than:

19 (1) under a license issued under this chapter;

20 (2) [~~within the confines of a home~~] for purposes of  
21 amusement or recreation when:

22 (A) no player or other person furnishes anything  
23 of [~~more than nominal~~] value as defined by rule [~~for the~~  
24 ~~opportunity~~] to participate;

25 [~~(B) participation in the game does not exceed 15~~  
26 ~~players,~~] and

27 (B) [~~(C)~~] the prizes awarded or to be awarded are

1 nominal as defined by rule;

2 (3) on behalf of an organization of individuals 60  
3 years of age or over, a senior citizens' association, a senior  
4 citizens' community center program operated or funded by a  
5 governmental entity, the patients in a hospital or nursing home,  
6 residents of a retirement home, or the patients in a Veteran's  
7 Administration medical center or a military hospital, solely for  
8 the purpose of amusement and recreation of its members, residents,  
9 or patients, when:

10 (A) no player or other person furnishes anything  
11 of more than nominal value for the opportunity to participate; and

12 (B) the prizes awarded or to be awarded are  
13 nominal; or

14 (4) on behalf of a business conducting the game for  
15 promotional or advertising purposes if:

16 (A) the game is conducted by or through a  
17 newspaper or a radio or television station;

18 (B) participation in the game is open to the  
19 general public and is not limited to customers of the business;

20 (C) playing materials are furnished without  
21 charge to a person on request; and

22 (D) no player is required to furnish anything of  
23 value for the opportunity to participate.

24 SECTION 40. Section 2001.603(b), Occupations Code, is  
25 amended to read as follows:

26 (b) Not later than the 21st [~~14th~~] day after the date on  
27 which the report is issued, the director shall give written notice

1 of the report to the person alleged to have committed the violation.

2 SECTION 41. Sections 2001.656(a), (b), and (d), Occupations  
3 Code, are amended to read as follows:

4 (a) If a majority of the qualified voters voting on the  
5 question in a legalization election vote in favor of legalization,  
6 bingo is legalized throughout the political subdivision beginning  
7 on the 14th [~~10th~~] day after the date the result of the election is  
8 officially declared, except as otherwise provided as to a part of  
9 the political subdivision for which Section 2001.657 requires a  
10 contrary status.

11 (b) If a majority of the qualified voters voting on the  
12 question in a prohibitory election vote in favor of prohibition,  
13 bingo is prohibited throughout the political subdivision beginning  
14 on the 14th [~~10th~~] day after the date the result of the election is  
15 officially declared, except as otherwise provided as to a part of  
16 the political subdivision for which Section 2001.657 requires a  
17 contrary status.

18 (d) The governing body of a political subdivision in which a  
19 bingo election has been held shall not later than the 14th [~~10th~~]  
20 day after the date of the election give written notification to the  
21 commission of the results of the election. If as a result of the  
22 election bingo is legalized in the political subdivision, the  
23 governing body shall furnish the commission with a map prepared by  
24 the governing body indicating the boundaries of the political  
25 subdivision in which bingo may be conducted.

26 SECTION 42. Section 411.108, Government Code, is amended by  
27 adding Subsection (a-1) and amending Subsection (b) to read as

1 follows:

2 (a-1) The Texas Lottery Commission is entitled to obtain  
3 from the department criminal history record information maintained  
4 by the department that relates to a person licensed under Chapter  
5 2001, Occupations Code, or described by Section 2001.3025,  
6 Occupations Code.

7 (b) Criminal history record information obtained by the  
8 commission under Subsection (a) or (a-1) may not be released or  
9 disclosed to any person except on court order or as provided by  
10 Subsection (c).

11 SECTION 43. The following provisions of the Occupations  
12 Code are repealed:

- 13 (1) Sections 2001.002(3) and (10);
- 14 (2) Section 2001.057(b);
- 15 (3) Section 2001.160(c);
- 16 (4) Section 2001.161(a);
- 17 (5) Section 2001.204;
- 18 (6) Section 2001.303;
- 19 (7) Section 2001.305;
- 20 (8) Section 2001.402(b);
- 21 (9) Section 2001.406(c);
- 22 (10) Sections 2001.410(b) and (d);
- 23 (11) Section 2001.417;
- 24 (12) Section 2001.457(d);
- 25 (13) Section 2001.505(c);
- 26 (14) Section 2001.553(b); and
- 27 (15) Subchapter F, Chapter 2001.

1           SECTION 44. The Texas Lottery Commission shall adopt the  
2 rules required by Chapter 2001, Occupations Code, as amended by  
3 this Act, not later than April 1, 2010.

4           SECTION 45. (a) If on or after the effective date of this  
5 Act a licensed authorized organization has a balance in its bingo  
6 account of more than the maximum amount of operating capital  
7 allowed by Chapter 2001, Occupations Code, as amended by this Act,  
8 the organization shall distribute the funds in excess of the  
9 organization's maximum operating capital allowed by Chapter 2001,  
10 Occupations Code, as amended by this Act, not later than:

11                   (1) the first anniversary of the effective date of  
12 this Act if the excess amount is less than 200 percent of the  
13 maximum amount of operating capital;

14                   (2) the second anniversary of the effective date of  
15 this Act if the excess amount is 200 percent or more but less than  
16 300 percent of the maximum amount of operating capital; or

17                   (3) the third anniversary of the effective date of  
18 this Act if the excess amount is 300 percent or more of the maximum  
19 amount of operating capital.

20           (b) The Texas Lottery Commission may waive the requirements  
21 of Subsection (a) of this section on application and a showing of  
22 good cause by a licensed authorized organization.

23           (c) This section expires January 1, 2013.

24           SECTION 46. This Act takes effect October 1, 2009.