

1-1 By: Geren (Senate Sponsor - Harris) H.B. No. 1474
1-2 (In the Senate - Received from the House May 4, 2009;
1-3 May 6, 2009, read first time and referred to Committee on State
1-4 Affairs; May 15, 2009, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 15, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the operation and regulation of charitable bingo and
1-9 the use of bingo proceeds.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 2001.002, Occupations Code, is amended
1-12 by adding Subdivisions (4-a), (8-a), and (25-a) and amending
1-13 Subdivision (6) to read as follows:

1-14 (4-a) "Bingo chairperson" means an officer or member
1-15 of the board of directors of a licensed authorized organization who
1-16 is designated in writing by the organization as responsible for
1-17 overseeing the organization's bingo activities and reporting to the
1-18 membership relating to those activities.

1-19 (6) "Bingo occasion" means a single gathering or
1-20 session at which a bingo game or ~~[all activities incident to the~~
1-21 ~~conduct of]~~ a series of bingo games, including selling and
1-22 redeeming pull-tab bingo tickets, are conducted on the day and at
1-23 the times listed on the license issued to ~~[by]~~ a licensed authorized
1-24 organization~~[, including the organization's licensed times and any~~
1-25 ~~preparatory or concluding activities incident to the conduct of~~
1-26 ~~bingo].~~

1-27 (8-a) "Crime of moral turpitude" means:

1-28 (A) a felony;

1-29 (B) a gambling offense;

1-30 (C) criminal fraud;

1-31 (D) forgery;

1-32 (E) theft;

1-33 (F) an offense that involves filing false
1-34 information with a governmental agency; or

1-35 (G) any offense that:

1-36 (i) is classified in this state as a Class A
1-37 misdemeanor; and

1-38 (ii) puts the honesty and integrity of the
1-39 individual who committed the offense in question.

1-40 (25-a) "Regular license" means a license to conduct
1-41 bingo that is issued by the commission and that expires on the first
1-42 or second anniversary of the date of issuance unless revoked or
1-43 suspended before that date by the commission. The term includes an
1-44 annual license.

1-45 SECTION 2. Section 2001.059, Occupations Code, is amended
1-46 by amending Subsection (a) and adding Subsection (g) to read as
1-47 follows:

1-48 (a) An officer, bingo chairperson, or authorized
1-49 representative of a license holder or an attorney, accountant, or
1-50 bookkeeper employed or retained by a license holder ~~[A person]~~ may
1-51 request from the commission an advisory opinion regarding
1-52 compliance with this chapter and the rules of the commission.

1-53 (g) The commission may refuse to issue an advisory opinion
1-54 under this section on a matter that the commission knows to be in
1-55 active litigation.

1-56 SECTION 3. Subchapter B, Chapter 2001, Occupations Code, is
1-57 amended by adding Section 2001.060 to read as follows:

1-58 Sec. 2001.060. REPORTING. (a) On or before June 1 of each
1-59 even-numbered year, the commission shall prepare and deliver to the
1-60 governor, the lieutenant governor, the speaker of the house of
1-61 representatives, and the chairs of the standing committees of the
1-62 senate and house of representatives with primary jurisdiction over
1-63 charitable bingo a report stating for each of the preceding two
1-64 calendar years:

2-1 (1) the total amount of adjusted gross receipts
2-2 reported by licensed authorized organizations from their bingo
2-3 operations;

2-4 (2) the total amount of net proceeds reported by
2-5 licensed authorized organizations from their bingo operations; and

2-6 (3) a comparison of the amounts reported under
2-7 Subdivisions (1) and (2), including the percentage that the net
2-8 proceeds represents of the adjusted gross receipts.

2-9 (b) For purposes of Subsection (a), "adjusted gross
2-10 receipts" means the amount remaining after deducting prizes paid,
2-11 excluding prize fees collected from bingo players.

2-12 (c) For purposes of Subsection (a), the commission shall
2-13 determine the total amount of net proceeds in a manner that does not
2-14 reduce gross receipts by the amount of rent paid for the rental of
2-15 bingo premises by a licensed authorized organization to another
2-16 licensed authorized organization if the other organization pays
2-17 rent for the premises to a licensed commercial lessor.

2-18 SECTION 4. Section 2001.101(a), Occupations Code, is
2-19 amended to read as follows:

2-20 (a) The commission may license a person who is an authorized
2-21 organization eligible for a license to conduct bingo if the person
2-22 is:

2-23 (1) a religious society that has existed in this state
2-24 for at least three ~~eight~~ years;

2-25 (2) a nonprofit organization:

2-26 (A) whose predominant activities are for the
2-27 support of medical research or treatment programs; and

2-28 (B) that for at least three years:

2-29 (i) must have had a governing body or
2-30 officers elected by a vote of members or by a vote of delegates
2-31 elected by the members; or

2-32 (ii) must have been affiliated with a state
2-33 or national organization organized to perform the same purposes as
2-34 the nonprofit organization;

2-35 (3) a fraternal organization;

2-36 (4) a veterans organization that has existed in this
2-37 state for at least three years; ~~or~~

2-38 (5) a volunteer fire department that has existed in
2-39 this state for at least three years; or

2-40 (6) a volunteer emergency medical services provider
2-41 that has existed in this state for at least three years.

2-42 SECTION 5. Sections 2001.102(a) and (b), Occupations Code,
2-43 are amended to read as follows:

2-44 (a) An applicant for a license to conduct bingo must file
2-45 with the commission an ~~[a written, executed, and verified]~~
2-46 application on a form prescribed by the commission.

2-47 (b) The application must include:

2-48 (1) the name and address of the applicant;

2-49 (2) the names and addresses of the applicant's
2-50 officers and directors;

2-51 (3) the address of the premises where and the time when
2-52 the applicant intends to conduct bingo under the license sought;

2-53 (4) the name and address of the licensed commercial
2-54 lessor of the premises, if the applicant intends to lease premises
2-55 to conduct bingo from a person other than an authorized
2-56 organization;

2-57 ~~(5) [the capacity or potential capacity for public~~
2-58 ~~assembly in any premises owned or occupied by the applicant,~~

2-59 ~~[(6) the amount of rent to be paid or other~~
2-60 ~~consideration to be given, directly or indirectly, for each~~
2-61 ~~occasion for use of the premises of another licensed authorized~~
2-62 ~~organization or for use of the premises of a licensed commercial~~
2-63 ~~lessor,~~

2-64 ~~[(7) all other items of expense intended to be~~
2-65 ~~incurred or paid in connection with conducting, promoting, and~~
2-66 ~~administering bingo and the names and addresses of the persons to~~
2-67 ~~whom, and the purposes for which, the expenses are to be paid,~~

2-68 ~~[(8) the specific purposes to and the manner in which~~
2-69 ~~the net proceeds of bingo are to be devoted,~~

3-1 ~~[(9)]~~ a statement that the net proceeds of bingo will
3-2 go to one or more of the authorized charitable purposes under this
3-3 chapter;

3-4 (6) [(10)] a designation of the applicant
3-5 organization's bingo chairperson ~~[one or more active members of the~~
3-6 ~~applicant organization]~~ under whom bingo will be conducted
3-7 accompanied by a statement signed by the chairperson ~~[each~~
3-8 ~~designated member]~~ stating that the chairperson ~~[member]~~ will be
3-9 responsible for the conduct of bingo under the terms of the license
3-10 and this chapter;

3-11 (7) [(11)] a statement that a copy of the application
3-12 has been sent to the appropriate governing body;

3-13 ~~[(12)] the name and address of each person who will work~~
3-14 ~~at the proposed bingo occasion, the nature of the work to be~~
3-15 ~~performed, and a statement as to whether the person has been~~
3-16 ~~convicted of a felony, a gambling offense, criminal fraud, or a~~
3-17 ~~crime of moral turpitude; and~~

3-18 ~~[(13)]~~ sufficient facts relating to the applicant's
3-19 incorporation and organization to enable the commission to
3-20 determine whether the applicant is an authorized organization;

3-21 (8) a copy of the applicant organization's most
3-22 recently filed Internal Revenue Service Form 990, if applicable;

3-23 (9) a letter of good standing from the applicant
3-24 organization's parent organization, if the organization receives
3-25 an exemption from federal income taxes as a member of a group of
3-26 organizations;

3-27 (10) copies of the applicant organization's organizing
3-28 instruments, including any bylaws, constitution, charter, and
3-29 articles of incorporation;

3-30 (11) verification of the applicant organization's good
3-31 standing with the secretary of state if the organization is
3-32 organized under the law of this state; and

3-33 (12) information necessary to conduct criminal
3-34 background checks on the applicant organization's officers and
3-35 directors.

3-36 SECTION 6. Section 2001.103(e), Occupations Code, is
3-37 amended to read as follows:

3-38 (e) Notwithstanding Subsection (c), an authorized
3-39 organization that holds an annual ~~[a regular]~~ license to conduct
3-40 bingo may receive not more than 24 ~~[12]~~ temporary licenses during
3-41 the 12-month period following the issuance or renewal of the
3-42 license. The holder of a license that is effective for two years
3-43 may receive not more than 24 temporary licenses for each 12-month
3-44 period that ends on an anniversary of the date the license was
3-45 issued or renewed.

3-46 SECTION 7. Section 2001.104, Occupations Code, is amended
3-47 by amending Subsections (b) and (d) and adding Subsection (e) to
3-48 read as follows:

3-49 (b) The commission by rule shall establish procedures to
3-50 determine if the appropriate license fee ~~[At the end of the license~~
3-51 ~~period the license holder and the commission shall compute the~~
3-52 ~~amount of gross receipts actually recorded during the license~~
3-53 ~~period to determine if the appropriate fee amount]~~ was paid.

3-54 (d) An applicant shall pay the fees established under
3-55 Subsection (a) annually. An applicant for a license or renewal of a
3-56 license may obtain a license that is effective for two years by
3-57 paying an amount equal to two times the amount of the annual license
3-58 fee, or by paying the license fee for the first year at the time the
3-59 applicant submits the application and the fee for the second year
3-60 not later than the first anniversary of the date the license becomes
3-61 effective [plus \$25].

3-62 (e) A licensed authorized organization may pay in advance,
3-63 or establish an escrow account with the commission to cover, fees
3-64 assessed under this chapter for the amendment of a license or
3-65 issuance of a temporary license.

3-66 SECTION 8. Section 2001.105(b), Occupations Code, is
3-67 amended to read as follows:

3-68 (b) The commission may not issue a license to an authorized
3-69 organization to conduct bingo if an officer or member of the board

4-1 of directors of the organization has been convicted of a felony,
 4-2 criminal fraud, a gambling or gambling-related offense, or a crime
 4-3 of moral turpitude if less than 10 years has elapsed since the
 4-4 termination of a sentence, parole, mandatory supervision, or
 4-5 community supervision served for the offense.

4-6 SECTION 9. Section 2001.106, Occupations Code, is amended
 4-7 to read as follows:

4-8 Sec. 2001.106. FORM AND CONTENTS OF LICENSE. A license to
 4-9 conduct bingo must include:

4-10 (1) the name and address of the license holder;

4-11 (2) the name and address of the bingo chairperson
 4-12 ~~[names and addresses of the member or members]~~ of the license holder
 4-13 under whom the bingo will be conducted; and

4-14 (3) the address ~~[an indication]~~ of the premises where
 4-15 and the time when bingo is to be conducted[+]

4-16 ~~[(4) the specific purposes to which the net proceeds~~
 4-17 ~~of bingo are to be devoted; and~~

4-18 ~~[(5) a statement of whether a prize is to be offered~~
 4-19 ~~and the amount of any authorized prize].~~

4-20 SECTION 10. Section 2001.107(a), Occupations Code, is
 4-21 amended to read as follows:

4-22 (a) Unless the organization is a member of a unit that
 4-23 designates a unit manager under Section 2001.437, the bingo
 4-24 chairperson for a licensed authorized organization ~~[The person~~
 4-25 ~~designated under Section 2001.102(b)(10)]~~ shall complete the
 4-26 ~~[eight hours of]~~ training required ~~[as provided]~~ by commission
 4-27 rule. For a unit operating under Subchapter I-1, the unit manager
 4-28 shall complete the training if the unit designates a unit manager
 4-29 under Section 2001.437.

4-30 SECTION 11. Sections 2001.108(b) and (c), Occupations Code,
 4-31 are amended to read as follows:

4-32 (b) If the other organization ceased or will cease
 4-33 conducting bingo for the reason stated in Subsection (a)(1), the
 4-34 commission must act on the joint application filed under Subsection
 4-35 (a) not later than the 14th ~~[10th]~~ day after the date the
 4-36 application is filed with the commission.

4-37 (c) If the other organization ceased or will cease
 4-38 conducting bingo for the reason stated in Subsection (a)(2), the
 4-39 commission must act on the joint application filed under Subsection
 4-40 (a) not later than the 14th ~~[10th]~~ day after the date the
 4-41 application is filed with the commission or the date on which the
 4-42 termination takes effect, whichever is later.

4-43 SECTION 12. Sections 2001.158(b) and (d), Occupations Code,
 4-44 are amended to read as follows:

4-45 (b) The commission by rule shall establish procedures for
 4-46 determining if the appropriate license fee ~~[At the end of the~~
 4-47 ~~license period, the license holder and the commission shall compute~~
 4-48 ~~the amount of the gross rentals actually recorded during the~~
 4-49 ~~license period to determine if the appropriate fee amount]~~ was
 4-50 paid.

4-51 (d) An applicant for a commercial lessor license shall pay
 4-52 the fees established under Subsection (a) annually. An applicant
 4-53 for a license or renewal of a license may obtain a license that is
 4-54 effective for two years by paying an amount equal to two times the
 4-55 amount of the annual license fee, or by paying the license fee for
 4-56 the first year at the time the applicant submits the application and
 4-57 the license fee for the second year not later than the first
 4-58 anniversary of the date the license becomes effective ~~[plus \$25].~~

4-59 SECTION 13. The heading to Section 2001.159, Occupations
 4-60 Code, is amended to read as follows:

4-61 Sec. 2001.159. LICENSE ISSUANCE OR RENEWAL.

4-62 SECTION 14. Section 2001.159(a), Occupations Code, is
 4-63 amended to read as follows:

4-64 (a) The commission shall issue or renew a commercial lessor
 4-65 license if the commission determines that:

4-66 (1) the applicant has paid the license fee as provided
 4-67 by Section 2001.158;

4-68 (2) the applicant qualifies to be licensed under this
 4-69 chapter;

5-1 (3) ~~[the applicant satisfies the requirements for a~~
5-2 ~~commercial lessor under this subchapter,~~
5-3 ~~[(4)]~~ the rent to be charged is fair and reasonable
5-4 ~~[and will be charged and collected in compliance with Section~~
5-5 ~~2001.406];~~
5-6 (4) ~~[(5)]~~ there is no diversion of the funds of the
5-7 proposed lessee from the lawful purposes under this chapter;
5-8 (5) ~~[(6)]~~ the person whose signature or name appears
5-9 in the application is in all respects the real party in interest and
5-10 is not an undisclosed agent or trustee for the real party in
5-11 interest; and
5-12 (6) ~~[(7)]~~ the applicant will lease the premises for
5-13 the conduct of bingo in accordance with this chapter.

5-14 SECTION 15. Section 2001.203, Occupations Code, is amended
5-15 to read as follows:
5-16 Sec. 2001.203. MANUFACTURER'S LICENSE APPLICATION. (a) An
5-17 applicant for a manufacturer's license must file with the
5-18 commission an ~~[a written verified]~~ application on a form prescribed
5-19 by the commission.

5-20 (b) The application must include:
5-21 (1) the name and address of the applicant and the name
5-22 and address of each of its locations where bingo supplies or
5-23 equipment are manufactured;
5-24 (2) a full description of each type of bingo supply or
5-25 equipment that the applicant intends to manufacture or market in
5-26 this state and the brand name, if any, under which each item will be
5-27 sold;
5-28 (3) ~~[the name and address of the applicant and]~~ if the
5-29 applicant:
5-30 (A) is not a corporation, the name and home
5-31 address of each owner; or
5-32 (B) is a corporation, the name and home address
5-33 of each officer and director and each person owning more than 10
5-34 percent ~~[or more]~~ of a class of stock in the corporation;
5-35 (4) if the applicant is a foreign corporation or other
5-36 foreign legal entity, the name, business name and address, and
5-37 ~~[home]~~ address of its registered agent for service in this state;
5-38 (5) the name and address of each manufacturer,
5-39 supplier, and distributor in which the applicant has a financial
5-40 interest and the details of that financial interest, including any
5-41 indebtedness between the applicant and the manufacturer, supplier,
5-42 or distributor of \$5,000 ~~[\$500]~~ or more;
5-43 (6) information regarding whether the applicant or a
5-44 person required to be named in the application has been convicted in
5-45 this state or another state of a felony, criminal fraud, a gambling
5-46 or gambling-related offense, or a crime of moral turpitude;
5-47 (7) information regarding whether the applicant or a
5-48 person required to be named in the application is an owner, officer,
5-49 director, shareholder, agent, or employee of a licensed commercial
5-50 lessor or conducts, promotes, administers, or assists in
5-51 conducting, promoting, or administering bingo for which a license
5-52 is required by this chapter;
5-53 (8) information regarding whether the applicant or a
5-54 person required to be named in the application is a public officer
5-55 or public employee in this state;
5-56 (9) the name of each state in which the applicant is or
5-57 has been licensed to manufacture, distribute, or supply bingo
5-58 equipment or supplies, each license number, the period of time
5-59 licensed under each license, and whether a license has been
5-60 revoked, suspended, withdrawn, canceled, or surrendered and, if so,
5-61 the reasons for the action taken;
5-62 (10) information regarding whether the applicant or a
5-63 person required to be named in the application is or has been a
5-64 professional gambler or gambling promoter;
5-65 (11) the names and addresses of each manufacturer,
5-66 supplier, or distributor of bingo equipment or supplies in which
5-67 the applicant or a person required to be named in the application is
5-68 an owner, officer, shareholder, director, agent, or employee; and
5-69 (12) any other information the commission requests.

6-1 SECTION 16. Section 2001.208(b), Occupations Code, is
6-2 amended to read as follows:

6-3 (b) The application must include:

6-4 (1) the full name and address of the applicant;

6-5 (2) the name and address of each location operated by
6-6 the distributor from which bingo supplies or equipment are
6-7 distributed or at which bingo supplies or equipment are stored;

6-8 (3) if a noncorporate distributor, the name and home
6-9 address of each owner;

6-10 (4) if a corporate distributor, the name and home
6-11 address of each officer or director and of each person owning more
6-12 than [~~at least~~] 10 percent of a class of stock in the corporation;

6-13 (5) if a foreign corporation or other foreign legal
6-14 entity, the name, business name and address, and [~~home~~] address of
6-15 its registered agent for service in this state;

6-16 (6) a full description of the type of bingo supply or
6-17 equipment that the applicant intends to store or distribute in this
6-18 state and the name of the manufacturer of each item and the brand
6-19 name, if any, under which the item will be sold or marketed;

6-20 (7) the name and address of a manufacturer, supplier,
6-21 or distributor in which the applicant has a financial interest and
6-22 the details of that financial interest, including an indebtedness
6-23 between the applicant and the manufacturer, supplier, or
6-24 distributor of \$5,000 [~~\$500~~] or more;

6-25 (8) information regarding whether the applicant or a
6-26 person required to be named in the application has been convicted in
6-27 this state or another state of a felony, criminal fraud, a gambling
6-28 or gambling-related offense, or a crime of moral turpitude;

6-29 (9) information regarding whether the applicant or a
6-30 person required to be named in the application is an owner, officer,
6-31 director, shareholder, agent, or employee of a licensed commercial
6-32 lessor or conducts, promotes, administers, or assists in
6-33 conducting, promoting, or administering bingo for which a license
6-34 is required under this chapter;

6-35 (10) information regarding whether the applicant or a
6-36 person required to be named in the application is a public officer
6-37 or public employee in this state;

6-38 (11) the name of each state in which the applicant is
6-39 or has been licensed to manufacture, distribute, or supply bingo
6-40 equipment or supplies, each license number, the period of time
6-41 licensed under each license, and whether a license was revoked,
6-42 suspended, withdrawn, canceled, or surrendered and, if so, the
6-43 reasons for the action taken;

6-44 (12) information regarding whether the applicant or a
6-45 person required to be named in the application is or has been a
6-46 professional gambler or gambling promoter;

6-47 (13) the name and address of each manufacturer,
6-48 supplier, or distributor of bingo equipment or supplies in which
6-49 the applicant or a person required to be named in the application is
6-50 an owner, officer, shareholder, director, agent, or employee; and

6-51 (14) any other information the commission requests.

6-52 SECTION 17. Sections 2001.211(b), (c), and (d), Occupations
6-53 Code, are amended to read as follows:

6-54 (b) If a change occurs after issuance of a manufacturer's or
6-55 distributor's license, the license holder shall report the change
6-56 to the commission not later than the 14th [~~10th~~] day after the date
6-57 of the change.

6-58 (c) Not later than the 14th [~~10th~~] day after the date of the
6-59 change, a license holder shall notify the commission of a change in:

6-60 (1) the license holder's organization, structure, or
6-61 mode of operation;

6-62 (2) the identity of persons named or required to be
6-63 named in the application and the nature or extent of those persons'
6-64 interest; or

6-65 (3) any other facts stated in the application.

6-66 (d) Failure to give a notice required under this section is
6-67 cause for:

6-68 (1) denial, suspension, or revocation of a license; or

6-69 (2) imposition of an administrative penalty or other

7-1 administrative action.

7-2 SECTION 18. Subchapter G, Chapter 2001, Occupations Code,
7-3 is amended by adding Section 2001.3025 to read as follows:

7-4 Sec. 2001.3025. ACCESS TO CRIMINAL HISTORY RECORD
7-5 INFORMATION. The commission is entitled to conduct an
7-6 investigation of and is entitled to obtain criminal history record
7-7 information maintained by the Department of Public Safety, the
7-8 Federal Bureau of Investigation identification division, or
7-9 another law enforcement agency to assist in the investigation of:

7-10 (1) an applicant for or holder of a license issued
7-11 under this chapter;

7-12 (2) a person required to be named in a license
7-13 application; or

7-14 (3) an employee or other person who works or will work
7-15 for a license holder and who is required by another provision of
7-16 this chapter to undergo a criminal background check.

7-17 SECTION 19. Section 2001.306(c), Occupations Code, is
7-18 amended to read as follows:

7-19 (c) The holder of a license to conduct bingo may not change
7-20 the location at which it conducts bingo until it has:

7-21 (1) returned [~~surrendered~~] its original license if
7-22 available, or certified that the license is not available; and

7-23 (2) received an amended license for the new location.

7-24 SECTION 20. Section 2001.313, Occupations Code, is amended
7-25 by amending Subsections (a), (b), (d), (e), (f), and (g) and adding
7-26 Subsections (b-1), (h), and (i) to read as follows:

7-27 (a) To minimize duplicate criminal history background
7-28 checks by the commission and the costs incurred by organizations
7-29 and individuals, the commission shall maintain a registry of
7-30 individuals [~~persons~~] on whom the commission has conducted a
7-31 criminal history background check and who are approved to be
7-32 involved in the conduct of bingo or to act as a bingo operator.

7-33 (b) An individual [~~A person~~] listed in the registry may be
7-34 involved in the conduct of bingo or act as an operator at any
7-35 location at which bingo is lawfully conducted.

7-36 (b-1) An individual's listing on the registry expires on the
7-37 third anniversary of the date the individual was initially included
7-38 on the registry. The individual may renew the listing before the
7-39 expiration date. If the individual fails to renew the listing, the
7-40 commission shall remove the individual's name from the registry.
7-41 An individual whose name is removed from the registry may reapply
7-42 for listing on the registry.

7-43 (d) An individual [~~A person~~] who is not listed on the
7-44 registry established by this section may not act, and a licensed
7-45 authorized organization may not allow the individual to act, as an
7-46 operator, manager, cashier, usher, caller, bingo chairperson,
7-47 bookkeeper, or salesperson for the [~~a~~] licensed authorized
7-48 organization.

7-49 (e) The commission may refuse to add an individual's [~~a~~
7-50 person's] name to, or remove an individual's [~~a person's~~] name from,
7-51 the registry established by this section if, after notice and, if
7-52 requested by the individual, a hearing, the individual [~~person~~] is
7-53 finally determined to have:

7-54 (1) been convicted of an offense listed under Section
7-55 2001.105(b);

7-56 (2) converted bingo equipment in a premises to an
7-57 improper use;

7-58 (3) converted funds that are in, or that should have
7-59 been in, the bingo account of any licensed authorized organization;

7-60 (4) taken any action, individually or in concert with
7-61 another person, that affects the integrity of any bingo game to
7-62 which this chapter applies; [~~or~~]

7-63 (5) acted as an operator, manager, cashier, usher,
7-64 caller, bingo chairperson, bookkeeper, or salesperson for a
7-65 licensed authorized organization without being listed on the
7-66 registry established under this section;

7-67 (6) failed to provide a complete application; or

7-68 (7) participated in any violation of this chapter or
7-69 rules adopted by the commission for the administration of this

8-1 chapter.

8-2 (f) A licensed authorized organization shall report to the
8-3 commission or its designee the discovery of any conduct on the part
8-4 of an individual [a person] registered or required to be registered
8-5 under this section where there is substantial basis for believing
8-6 that the conduct would constitute grounds for removal of the
8-7 individual's [person's] name from, or refusal to add the
8-8 individual's [person's] name to, the registry established by this
8-9 section. A statement made in good faith to the commission or to an
8-10 adjudicative body in connection with any such report may not be the
8-11 basis for an action for defamation of character.

8-12 (g) An individual [A person] who has been finally determined
8-13 to have taken action prohibited by Subsection (e)(2), (3), (4),
8-14 [~~or~~] (5), (6), or (7) cannot be listed on the registry of approved
8-15 bingo workers and cannot work as a bingo worker for one year from
8-16 the date of such determination. Upon expiration of the one-year
8-17 period, the individual [person] is eligible for listing on the
8-18 registry provided a licensee subject to this chapter makes
8-19 application to list the individual [person]. In such event, the
8-20 commission shall take into consideration the facts and
8-21 circumstances that occurred that led to the applicable action under
8-22 Subsections (e)(2)-(7) [~~(e)(2)-(5)~~] in deciding whether to list the
8-23 individual [person] on the registry.

8-24 (h) A licensed authorized organization may employ an
8-25 individual who is not on the registry established by this section as
8-26 an operator, manager, cashier, usher, caller, or salesperson on a
8-27 provisional basis if the individual is awaiting the results of a
8-28 background check by the commission:

8-29 (1) for a period not to exceed 14 days if the
8-30 individual is a resident of this state; or

8-31 (2) for a period to be established by commission rule
8-32 if the individual is not a resident of this state.

8-33 (i) An individual who has been removed from the registry
8-34 under Subsection (e) and has not subsequently been listed on the
8-35 registry under Subsection (g) may not be employed under Subsection
8-36 (h).

8-37 SECTION 21. Section 2001.314, Occupations Code, is amended
8-38 to read as follows:

8-39 Sec. 2001.314. IDENTIFICATION CARD FOR APPROVED BINGO
8-40 WORKER. (a) The commission may require an individual [a person]
8-41 listed in the registry maintained under Section 2001.313 to wear an
8-42 identification card to identify the individual [person] to license
8-43 holders, bingo players, and commission staff while the individual
8-44 [person] is on duty during the conduct of bingo. The commission by
8-45 rule shall prescribe the form and content of the card.

8-46 (b) The commission shall provide the identification card
8-47 and shall provide a form to be completed by an individual [a person]
8-48 that allows the individual [person] to prepare the identification
8-49 card. The commission may [~~shall~~] collect a reasonable charge to
8-50 cover the cost of providing the card or form.

8-51 (c) An identification card required by the commission under
8-52 this section to be worn by an individual [a person] while on duty
8-53 during the conduct of bingo must be in substantial compliance with
8-54 the form and content requirements prescribed by the commission
8-55 under this section.

8-56 (d) The commission may not require any other individual
8-57 [person] licensed under this chapter, or an individual [a person]
8-58 acting on the license holder's behalf, to wear an identification
8-59 card, whether or not the individual [person] is present or
8-60 performing the individual's [person's] duties during the conduct of
8-61 bingo.

8-62 SECTION 22. Subchapter G, Occupations Code, is amended by
8-63 adding Sections 2001.315 and 2001.316 to read as follows:

8-64 Sec. 2001.315. LATE LICENSE RENEWAL. (a) A person who
8-65 fails to renew the person's license under this chapter before the
8-66 date the license expires may renew the license after the expiration
8-67 date by:

8-68 (1) filing a license renewal application with the
8-69 commission not later than the 14th day after the date the license

9-1 expires, paying the applicable annual license fee, and paying a
 9-2 late license renewal fee equal to 10 percent of the annual license
 9-3 fee; or

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

9-11 (b) A person who files a renewal application with the
 9-12 commission under Subsection (a) may continue to perform the bingo
 9-13 activities authorized under the license as if the license has not
 9-14 expired until the license is renewed or renewal of the license is
 9-15 denied.

9-16 (c) To renew a license after the 60th day after the date the
 9-17 license expires, the person must file an application for an
 9-18 original license and cease all bingo activities for which the
 9-19 license is required as of the 61st day after the date the license
 9-20 expires until a new license is issued.

9-21 Sec. 2001.316. DELIVERY OF COMMISSION NOTICE. If notice
 9-22 under this chapter is required to be given to an authorized
 9-23 organization, the commission shall send the notice to the bingo
 9-24 chairperson of the authorized organization and to the appropriate
 9-25 commercial lessor, if applicable.

9-26 SECTION 23. Section 2001.356(c), Occupations Code, is
 9-27 amended to read as follows:

9-28 (c) If a notice of temporary suspension is served on a
 9-29 license holder, the director of bingo operations shall
 9-30 simultaneously serve notice of a hearing, to be held not later than
 9-31 the 14th ~~10th~~ day after the date the notice is served, at which
 9-32 the license holder must show cause why the license should not be
 9-33 temporarily suspended on the 14th ~~10th~~ day after the date the
 9-34 notice is served. If the license holder does not show cause, the
 9-35 license is suspended.

9-36 SECTION 24. Section 2001.404, Occupations Code, is amended
 9-37 to read as follows:

9-38 Sec. 2001.404. PRINCIPAL LOCATION. A licensed authorized
 9-39 organization may conduct bingo only in:

9-40 (1) the county where the organization has its primary
 9-41 business office or another county contiguous to that county; or

9-42 (2) if the organization does not have a ~~has no~~
 9-43 business office, in the county of the principal residence of its
 9-44 chief executive officer, or a contiguous county of this state.

9-45 SECTION 25. Section 2001.406(b), Occupations Code, is
 9-46 amended to read as follows:

9-47 (b) Rent for premises used for the conduct of bingo must be
 9-48 paid in a lump sum. Except as otherwise provided by this section,
 9-49 the ~~The~~ lump sum must include all expenses authorized by Section
 9-50 2001.458 that are paid by the licensed authorized organization to
 9-51 the lessor in connection with the use of the premises. A licensed
 9-52 authorized organization or unit may pay as a separate expense,
 9-53 based on the percentage of the total area of the lessor's facility
 9-54 that the organization or unit uses as the bingo premises for the
 9-55 conduct of bingo, the organization's or unit's pro rata share of:

9-56 (1) property taxes on the facility that are paid by the
 9-57 lessor, excluding any penalties and interest on the taxes;

9-58 (2) water, electric, and gas utility expenses for the
 9-59 facility that are paid by the lessor, excluding any late fees or
 9-60 other penalties; and

9-61 (3) property and casualty insurance premiums for the
 9-62 facility that are paid by the lessor, excluding any late fees or
 9-63 other penalties.

9-64 SECTION 26. Section 2001.407(a), Occupations Code, is
 9-65 amended to read as follows:

9-66 (a) A licensed manufacturer may furnish, by sale or
 9-67 otherwise, bingo equipment or supplies to a licensed distributor.
 9-68 ~~A [Except as provided by Section 2001.257(b), a] licensed~~
 9-69 manufacturer may not furnish, by sale or otherwise, bingo equipment

10-1 or supplies to a person other than a licensed distributor.

10-2 SECTION 27. Section 2001.411, Occupations Code, is amended
10-3 by adding Subsection (c-1) to read as follows:

10-4 (c-1) An organization may designate as members of the
10-5 organization one or more individuals who elect to become members,
10-6 including all of the organization's directors, and the designated
10-7 members are bona fide members of the organization for purposes of
10-8 this section and other law.

10-9 SECTION 28. Section 2001.419, Occupations Code, is amended
10-10 to read as follows:

10-11 Sec. 2001.419. BINGO OCCASIONS. (a) ~~[A bingo occasion~~
10-12 ~~begins when the premises are opened to the public.~~

10-13 ~~[(b)] A licensed authorized organization may not conduct~~
10-14 ~~more than three [a] bingo occasions [occasion more often than three~~
10-15 ~~days] during a calendar week under an annual license [and not to~~
10-16 ~~exceed more than four hours during a 24-hour period].~~

10-17 (b) A bingo occasion may not exceed four hours.

10-18 ~~(c) [A licensed authorized organization may conduct two~~
10-19 ~~bingo occasions during a 24-hour period.] No more than two bingo~~
10-20 ~~occasions may be conducted at the same premises during one day~~
10-21 ~~except that a third bingo occasion may be conducted under a~~
10-22 ~~temporary license held by a licensed authorized organization at~~
10-23 ~~that premises.~~

10-24 ~~(d) [No more than two licensed authorized organizations may~~
10-25 ~~conduct bingo at the same premises during a 24-hour period.] If~~
10-26 ~~more than one bingo occasion is conducted [two organizations~~
10-27 ~~conduct bingo] at the same premises on the same day:~~

10-28 (1) [during a 24-hour period,] the bingo occasions
10-29 must be announced separately;

10-30 (2) the licensed times may not overlap; and

10-31 (3) bingo cards may be sold during a bingo occasion for
10-32 play during a subsequent bingo occasion that is scheduled to begin
10-33 at the same premises in not more than eight hours after the sale of
10-34 cards for the subsequent occasion begins [, and an intermission of
10-35 at least 10 minutes must occur between the bingo occasions].

10-36 (e) Bingo paper for a bingo occasion may be sold at the
10-37 licensed premises before the bingo occasion begins. [If two
10-38 licensed authorized organizations are authorized to conduct bingo
10-39 at the same premises on the same day, the bingo occasion of one
10-40 organization may overlap with the bingo occasion of the other
10-41 organization, but their games must be separated by the intermission
10-42 required under Subsection (d). In that event, the intermission is
10-43 considered part of each organization's bingo occasion.]

10-44 SECTION 29. Subchapter I-1, Chapter 2001, Occupations Code,
10-45 is amended by adding Section 2001.4335 to read as follows:

10-46 Sec. 2001.4335. EXEMPTION FROM FRANCHISE TAX. A unit
10-47 formed under this subchapter is exempt from the tax imposed under
10-48 Chapter 171, Tax Code.

10-49 SECTION 30. Section 2001.435(b), Occupations Code, is
10-50 amended to read as follows:

10-51 (b) Each member of a unit shall deposit into the unit's
10-52 bingo account all funds derived from the conduct of bingo, less the
10-53 amount awarded as cash prizes under Sections 2001.420(a) and (b).
10-54 The deposit shall be made not later than the second ~~[next]~~ business
10-55 day after the day of the bingo occasion on which the receipts were
10-56 obtained.

10-57 SECTION 31. Section 2001.451, Occupations Code, is amended
10-58 by amending Subsections (a), (b), (c), (d), and (e) and adding
10-59 Subsections (g), (h), (i), (j), and (k) to read as follows:

10-60 (a) A licensed authorized organization shall establish and
10-61 maintain one regular checking account designated as the
10-62 organization's "bingo account." The organization may ~~[also]~~
10-63 maintain a separate [an] interest-bearing savings account
10-64 designated as the "bingo savings account."

10-65 (b) A licensed authorized organization shall deposit in the
10-66 bingo account all funds derived from the conduct of bingo, less the
10-67 amount awarded as cash prizes under Sections 2001.420(a) and (b).
10-68 Except as provided by Subsection (b-1), a deposit must be made not
10-69 later than the second ~~[next]~~ business day after the day of the bingo

11-1 occasion on which the receipts were obtained.

11-2 (c) A licensed authorized organization may transfer [lend]
 11-3 money from its general fund or other account to the organization's
 11-4 [its] bingo account or to the bingo account of a unit of which the
 11-5 organization is a member under Subchapter I-1, if applicable, if:

11-6 (1) the balance in the bingo account to which the funds
 11-7 are transferred is less than the maximum amount permitted by this
 11-8 section; and

11-9 (2) the organization notifies [requests and receives
 11-10 the prior approval of] the commission of the transfer not later than
 11-11 the 14th day after the date of the transfer. [Except as provided by
 11-12 this section, no other funds may be deposited in the bingo account.]

11-13 (d) Except as permitted by Subsection (c), a [A] licensed
 11-14 authorized organization may not commingle gross receipts derived
 11-15 from the conduct of bingo with other funds of the organization.

11-16 (e) Except as permitted by Subsection (c) of this section
 11-17 and by Section 2001.453(2), a [Sections 2001.453(a)(2) and (3),
 11-18 the] licensed authorized organization may not transfer gross
 11-19 receipts derived from the conduct of bingo to another account
 11-20 maintained by the organization.

11-21 (g) The bingo operations of a licensed authorized
 11-22 organization must:

11-23 (1) result in net proceeds over the organization's
 11-24 license period; or

11-25 (2) if the organization has a two-year license, result
 11-26 in net proceeds over each 12-month period that ends on an
 11-27 anniversary of the date the two-year license was issued.

11-28 (h) Except as provided by Subsection (j), a licensed
 11-29 authorized organization or a unit of licensed authorized
 11-30 organizations may retain operating capital in the organization's or
 11-31 unit's bingo account in an amount that:

11-32 (1) is equal to the organization's or unit's actual
 11-33 average bingo expenses per quarter based on the preceding license
 11-34 period, excluding prizes paid; and

11-35 (2) does not exceed a total of \$50,000 for a single
 11-36 organization or \$50,000 for each member of a unit unless:

11-37 (A) the commission by rule establishes a higher
 11-38 amount for all organizations or units or one or more classes of
 11-39 organizations or units; or

11-40 (B) the bingo operations director, on request,
 11-41 raises the operating capital limit for one organization or unit as
 11-42 necessary to facilitate the operation of the organization or unit.

11-43 (i) Prize fees held in escrow for remittance to the
 11-44 commission are not included in the calculation of operating capital
 11-45 under Subsection (h).

11-46 (j) The commission shall adopt rules allowing a licensed
 11-47 authorized organization to retain a maximum amount of operating
 11-48 capital in the bingo account in excess of the amount provided by
 11-49 Subsection (h) if the organization:

11-50 (1) has conducted bingo for less than one year;

11-51 (2) experiences circumstances beyond the control of
 11-52 the organization, including force majeure, that necessitate an
 11-53 increase in operating capital; or

11-54 (3) provides to the commission a credible business
 11-55 plan for the conduct of bingo or for the organization's existing or
 11-56 planned charitable purposes that an increase in operating capital
 11-57 will reasonably further.

11-58 (k) A licensed authorized organization may apply to the
 11-59 commission for a waiver of the requirements of this section and
 11-60 Section 2001.457. The commission may grant the waiver on a showing
 11-61 of good cause by the organization that compliance with this section
 11-62 and Section 2001.457 is detrimental to the organization's existing
 11-63 or planned charitable purposes. An organization applying for a
 11-64 waiver establishes good cause by providing to the commission:

11-65 (1) credible evidence of circumstances beyond the
 11-66 control of the organization, including force majeure; or

11-67 (2) a credible business plan for the organization's
 11-68 conduct of bingo or the organization's existing or planned
 11-69 charitable purposes.

12-1 SECTION 32. Sections 2001.452(a) and (c), Occupations Code,
12-2 are amended to read as follows:

12-3 (a) Funds from the bingo account must be withdrawn by
12-4 electronic funds transfer or by preprinted, consecutively numbered
12-5 checks or withdrawal slips, signed by an authorized representative
12-6 of the licensed authorized organization and made payable to a
12-7 person. A check or withdrawal slip may not be made payable to
12-8 "cash," "bearer," or a fictitious payee. The nature of the payment
12-9 made must also be noted on the face of the check or withdrawal slip.
12-10 The purpose, amount, and payee for each electronic funds transfer
12-11 must be recorded in accordance with rules adopted by the
12-12 commission.

12-13 (c) A licensed authorized organization shall ~~[keep and]~~
12-14 account for all checks and withdrawal slips, including voided
12-15 checks and withdrawal slips.

12-16 SECTION 33. Section 2001.453, Occupations Code, is amended
12-17 to read as follows:

12-18 Sec. 2001.453. AUTHORIZED USES OF BINGO ACCOUNT. ~~[(a)]~~ A
12-19 licensed authorized organization may withdraw funds from ~~[draw a~~
12-20 ~~check on]~~ its bingo account only for:

12-21 (1) the payment of necessary or ~~[and]~~ reasonable bona
12-22 fide expenses, including compensation of personnel, as permitted
12-23 under Section 2001.458 incurred and paid in connection with the
12-24 conduct of bingo; or

12-25 (2) the disbursement of net proceeds derived from the
12-26 conduct of bingo as provided by this subchapter ~~[to charitable~~
12-27 ~~purposes; or~~

12-28 ~~[(3) the transfer of net proceeds derived from the~~
12-29 ~~conduct of bingo to the organization's bingo savings account~~
12-30 ~~pending a disbursement to a charitable purpose.~~

12-31 ~~[(b) A licensed authorized organization must make the~~
12-32 ~~disbursement of net proceeds on deposit in the bingo savings~~
12-33 ~~account to a charitable purpose by transferring the intended~~
12-34 ~~disbursement back into the organization's bingo account and then~~
12-35 ~~withdrawing an amount by a check drawn on the bingo account].~~

12-36 SECTION 34. Sections 2001.457(a), (b), and (c), Occupations
12-37 Code, are amended to read as follows:

12-38 (a) Before the end of each quarter, a licensed authorized
12-39 organization shall disburse all ~~[for charitable purposes an amount~~
12-40 ~~not less than 35 percent]~~ of the organization's net proceeds
12-41 [adjusted gross receipts] from the preceding quarter, other than
12-42 amounts retained under Section 2001.451, as provided by this
12-43 subchapter ~~[less the amount of authorized expenses not to exceed~~
12-44 ~~six percent of the gross receipts].~~

12-45 (b) If a licensed authorized organization fails to meet the
12-46 requirements of Subsection (a) ~~[this section]~~ for a quarter, the
12-47 commission in applying appropriate sanctions shall ~~[may]~~ consider
12-48 whether, taking into account the amount required to be disbursed
12-49 [distributed] during that quarter and the three preceding quarters
12-50 [and the charitable distributions for each of those quarters], the
12-51 organization has disbursed ~~[distributed]~~ a total amount sufficient
12-52 to have met the disbursement ~~[35 percent]~~ requirement for that
12-53 quarter and the three preceding quarters combined.

12-54 (c) A licensed authorized organization that has ceased to
12-55 conduct bingo for any reason and that has unexpended bingo funds
12-56 shall disburse those funds as provided by this subchapter ~~[to~~
12-57 ~~charitable purposes]~~ before the end of the next calendar quarter
12-58 after the calendar quarter in which the organization ceases to
12-59 conduct bingo.

12-60 SECTION 35. Section 2001.458(a), Occupations Code, is
12-61 amended to read as follows:

12-62 (a) An item of expense may not be incurred or paid in
12-63 connection with the conduct of bingo except an expense that is
12-64 reasonable or necessary to conduct bingo, including an expense for:

12-65 (1) advertising, including the cost of printing bingo
12-66 gift certificates;

12-67 (2) security;

12-68 (3) repairs to premises and equipment;

12-69 (4) bingo supplies and equipment;

13-1 (5) prizes;
 13-2 (6) stated rental or mortgage and insurance expenses;
 13-3 (7) bookkeeping, legal, or accounting services
 13-4 related to bingo;
 13-5 (8) fees for callers, cashiers, ushers, janitorial
 13-6 services, and utility supplies and services;
 13-7 (9) license fees;
 13-8 (10) attending a bingo seminar or convention required
 13-9 under Section 2001.107; and
 13-10 (11) debit card transaction fees and electronic funds
 13-11 transfer fees.

13-12 SECTION 36. Section 2001.459(a), Occupations Code, is
 13-13 amended to read as follows:

13-14 (a) The following items of expense incurred or paid in
 13-15 connection with the conduct of bingo must be paid from an
 13-16 organization's bingo account:

13-17 (1) advertising, including the cost of printing bingo
 13-18 gift certificates;
 13-19 (2) security during a bingo occasion;
 13-20 (3) the purchase or repair of bingo supplies and
 13-21 equipment;
 13-22 (4) prizes, other than authorized cash prizes;
 13-23 (5) stated rental expenses;
 13-24 (6) bookkeeping, legal, or accounting services;
 13-25 (7) fees for callers, cashiers, and ushers;
 13-26 (8) janitorial services; and
 13-27 (9) license fees [~~+~~ and
 13-28 [~~(10) payment for services provided by a system~~
 13-29 ~~service provider~~].

13-30 SECTION 37. Section 2001.502, Occupations Code, is amended
 13-31 to read as follows:

13-32 Sec. 2001.502. PRIZE FEE. A licensed authorized
 13-33 organization shall:

13-34 (1) collect from a person who wins a bingo prize of
 13-35 more than \$5 a fee in the amount of five percent of the amount or
 13-36 value of the prize; and
 13-37 (2) remit to the commission a fee in the amount of five
 13-38 percent of the amount or value of all bingo prizes awarded.

13-39 SECTION 38. Sections 2001.505(a) and (b), Occupations Code,
 13-40 are amended to read as follows:

13-41 (a) A licensed authorized organization conducting bingo
 13-42 shall submit quarterly to the commission [~~and to the comptroller~~] a
 13-43 report under oath stating:

13-44 (1) the amount of the gross receipts derived from
 13-45 bingo;
 13-46 (2) each item of expense incurred or paid;
 13-47 (3) each item of expenditure made or to be made, the
 13-48 name and address of each person to whom each item has been paid or is
 13-49 to be paid, and a detailed description of the merchandise purchased
 13-50 or the services rendered;
 13-51 (4) the net proceeds derived from bingo;
 13-52 (5) the use to which the proceeds have been or are to
 13-53 be applied; and
 13-54 (6) a list of prizes offered and given, with their
 13-55 respective values.

13-56 (b) A license holder shall [~~+~~
 13-57 [~~(1)~~] maintain records to substantiate the contents of
 13-58 each report [~~+~~ and
 13-59 [~~(2)~~ furnish a copy of each report to the appropriate
 13-60 governing body].

13-61 SECTION 39. Section 2001.603(b), Occupations Code, is
 13-62 amended to read as follows:

13-63 (b) Not later than the 21st [~~14th~~] day after the date on
 13-64 which the report is issued, the director shall give written notice
 13-65 of the report to the person alleged to have committed the violation.

13-66 SECTION 40. Sections 2001.656(a), (b), and (d), Occupations
 13-67 Code, are amended to read as follows:

13-68 (a) If a majority of the qualified voters voting on the
 13-69 question in a legalization election vote in favor of legalization,

14-1 bingo is legalized throughout the political subdivision beginning
 14-2 on the 14th [~~10th~~] day after the date the result of the election is
 14-3 officially declared, except as otherwise provided as to a part of
 14-4 the political subdivision for which Section 2001.657 requires a
 14-5 contrary status.

14-6 (b) If a majority of the qualified voters voting on the
 14-7 question in a prohibitory election vote in favor of prohibition,
 14-8 bingo is prohibited throughout the political subdivision beginning
 14-9 on the 14th [~~10th~~] day after the date the result of the election is
 14-10 officially declared, except as otherwise provided as to a part of
 14-11 the political subdivision for which Section 2001.657 requires a
 14-12 contrary status.

14-13 (d) The governing body of a political subdivision in which a
 14-14 bingo election has been held shall not later than the 14th [~~10th~~]
 14-15 day after the date of the election give written notification to the
 14-16 commission of the results of the election. If as a result of the
 14-17 election bingo is legalized in the political subdivision, the
 14-18 governing body shall furnish the commission with a map prepared by
 14-19 the governing body indicating the boundaries of the political
 14-20 subdivision in which bingo may be conducted.

14-21 SECTION 41. Section 411.108, Government Code, is amended by
 14-22 adding Subsection (a-1) and amending Subsection (b) to read as
 14-23 follows:

14-24 (a-1) The Texas Lottery Commission is entitled to obtain
 14-25 from the department criminal history record information maintained
 14-26 by the department that relates to a person licensed under Chapter
 14-27 2001, Occupations Code, or described by Section 2001.3025,
 14-28 Occupations Code.

14-29 (b) Criminal history record information obtained by the
 14-30 commission under Subsection (a) or (a-1) may not be released or
 14-31 disclosed to any person except on court order or as provided by
 14-32 Subsection (c).

14-33 SECTION 42. The following provisions of the Occupations
 14-34 Code are repealed:

- 14-35 (1) Sections 2001.002(3) and (10);
- 14-36 (2) Section 2001.057(b);
- 14-37 (3) Section 2001.160(c);
- 14-38 (4) Section 2001.161(a);
- 14-39 (5) Section 2001.303;
- 14-40 (6) Section 2001.402(b);
- 14-41 (7) Section 2001.406(c);
- 14-42 (8) Section 2001.417;
- 14-43 (9) Section 2001.457(d);
- 14-44 (10) Section 2001.505(c);
- 14-45 (11) Section 2001.553(b); and
- 14-46 (12) Subchapter F, Chapter 2001.

14-47 SECTION 43. The Texas Lottery Commission shall adopt the
 14-48 rules required by Chapter 2001, Occupations Code, as amended by
 14-49 this Act, not later than April 1, 2010.

14-50 SECTION 44. (a) If on or after the effective date of this
 14-51 Act a licensed authorized organization has a balance in its bingo
 14-52 account of more than the maximum amount of operating capital
 14-53 allowed by Chapter 2001, Occupations Code, as amended by this Act,
 14-54 the organization shall distribute the funds in excess of the
 14-55 organization's maximum operating capital allowed by Chapter 2001,
 14-56 Occupations Code, as amended by this Act, not later than:

14-57 (1) the first anniversary of the effective date of
 14-58 this Act if the excess amount is less than 200 percent of the
 14-59 maximum amount of operating capital;

14-60 (2) the second anniversary of the effective date of
 14-61 this Act if the excess amount is 200 percent or more but less than
 14-62 300 percent of the maximum amount of operating capital; or

14-63 (3) the third anniversary of the effective date of
 14-64 this Act if the excess amount is 300 percent or more of the maximum
 14-65 amount of operating capital.

14-66 (b) The Texas Lottery Commission may waive the requirements
 14-67 of Subsection (a) of this section on application and a showing of
 14-68 good cause by a licensed authorized organization.

14-69 (c) This section expires January 1, 2013.

15-1 SECTION 45. This Act takes effect October 1, 2009.

15-2

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