

BILL ANALYSIS

C.S.H.B. 2728
By: Thompson
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

While the use of electronic card-minding devices to conduct charitable bingo has been legal in Texas for some time, the uses have not kept pace with the technology and, as a result, charities are not able to take advantage of certain functionality that would allow them to reduce the handling of cash during a bingo occasion. Additionally, issues relating to temporary licenses for bingo occasions and transfers of licenses when a licensee dies are inadequately addressed in statute. Finally, the aggregate limit on regular bingo prizes that may be awarded during a single bingo occasion has not been increased since the 1990s.

C.S.H.B. 2728 seeks to address these issues by authorizing the use of card-minding devices to store and perform transactions using account values, clarifying the statute regarding transfers of certain licenses on the death of the licensee, and establishing that prizes of \$50 or less do not count toward the aggregate limit on regular bingo prizes awarded in a single occasion.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2728 amends the Occupations Code to increase from 24 to 36 the maximum number of temporary licenses to conduct bingo that an authorized organization holding an annual license to conduct bingo may receive during the 12-month period following the issuance or renewal of the license. The bill increases from 24 to 36 the maximum number of temporary licenses to conduct bingo that a holder of a license that is effective for two years may receive for each 12-month period that ends on an anniversary of the date the license was issued or renewed.

C.S.H.B. 2728 specifies, in a provision authorizing a licensed commercial lessor on approval by the Texas Lottery Commission to transfer a commercial lessor license, that the person to whom the license will be transferred otherwise meets the requirements of provisions of law relating to commercial lessor licenses, rather than provisions of law relating to the transfer of such licenses.

C.S.H.B. 2728 provides, as an exclusion from the provision authorizing a licensed authorized organization that conducts bingo lawfully at premises under a commercial lessor's license that is part of an individual's estate and is subject to applicable laws governing the disposition and control of the person's property to continue conducting bingo at those premises after the license holder dies or becomes incapacitated, that the commission has revoked or suspended the license under provisions of law relating to the regulation of bingo.

C.S.H.B. 2728 specifies, in a provision of law authorizing a district court in the county for which a commercial lessor license was issued to temporarily or permanently enjoin the conduct of bingo at premises under such a license that is part of an individual's estate after the license holder dies or becomes incapacitated if the commission has shown sufficient cause for the commission

to suspend the license, that the cause for suspension is under provisions of law relating to the regulation of bingo or an applicable commission rule, rather than under provisions of law relating to the temporary suspension of bingo licenses. The bill extends the authorization to temporarily or permanently enjoin the conduct of bingo at premises under such a license to the commission by order and establishes that grounds for enjoining such conduct includes the showing of sufficient cause by the commission for revoking the license.

C.S.H.B. 2728 authorizes a bingo player to use a card-minding device player account value to purchase bingo cards and authorizes a licensed authorized organization that conducts bingo to use a card-minding device to calculate and display such a value. The bill authorizes a licensed authorized organization to pay a bingo player an amount equal to a card-minding device player account value for that player only through a point-of-sale transaction. The bill defines "card-minding device player account value" to mean the amount of money accounted for by a card-minding device that is the sum of money deposited to a player's account through a point-of-sale transaction, credits to the player's account as a bingo prize for winning a game of bingo, and deductions from the player's account for authorized purchases made by the player or in exchanging the value of the account for money at the request of the player.

C.S.H.B. 2728 establishes that the exhibition and play of an amusement machine that awards credits or representations of value that may be redeemed for bingo paper, bingo pull-tabs, or card-minder use and have a wholesale value not greater than the lesser of 10 times the amount charged for a single play of the game or device or \$5 is not prohibited under provisions of law prohibiting a game of chance other than bingo or a raffle conducted under the Charitable Raffle Enabling Act from being conducted or allowed during a bingo occasion.

C.S.H.B. 2728 exempts bingo games that award individual prizes of \$50 or less from the provision of law prohibiting a person from offering or awarding on a single bingo occasion prizes with an aggregate value of more than \$2,500.

C.S.H.B. 2728 redefines "crime of moral turpitude" to specify, in the meaning of the term as an offense that involves filing false information with a governmental agency, that the false information is knowingly filed with the agency. The bill includes among the offenses that constitute such a crime any Class A misdemeanor defined by another state law as a crime of moral turpitude, rather than any offense that is classified in Texas as a Class A misdemeanor and puts the honesty and integrity of the individual who committed the offense in question. The bill makes nonsubstantive changes.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2728 contains a specification not included in the original, in the definition for "card-minding device player account value," that the meaning of the term as the amount of money accounted for by a card-minding device including certain amounts refers to the sum of those amounts and that among those amounts are deductions from the player's account for authorized purchases made by the player or in exchanging the value of the account for money at the request of the player.

C.S.H.B. 2728 contains a provision not included in the original redefining "crime of moral turpitude."

C.S.H.B. 2728 differs from the original by authorizing the Texas Lottery Commission by order, rather than by rule, to temporarily or permanently enjoin the conduct of bingo at premises under a commercial lessor license that is part of an individual's estate after the license holder dies or

becomes incapacitated, under certain conditions.

C.S.H.B. 2728 omits a provision included in the original changing the date by which the estate or guardian of an individual who holds a commercial lessor license and dies or becomes incapacitated is required to notify the commission.

C.S.H.B. 2728 omits the authorization included in the original for a bingo player to use a card-minding device player account value to purchase pull-tabs or other bingo merchandise, in addition to bingo cards. The substitute omits the authorization included in the original for a licensed authorized organization that conducts bingo to use a card-minding device to pay a bingo player a refund or bingo prize money. The substitute contains a provision not included in the original authorizing a licensed authorized organization to pay a bingo player an amount equal to a card-minding device player account value for that player only through a point-of-sale transaction.

C.S.H.B. 2728 contains a provision not included in the original establishing that the exhibition and play of an amusement machine that awards credits or representations of value that may be redeemed for bingo paper, bingo pull-tabs, or card-minder use and have a specified wholesale value does not prohibit a game of chance other than bingo or a raffle conducted under the Charitable Raffle Enabling Act from being conducted or allowed during a bingo occasion.