

SENATE AMENDMENTS

2nd Printing

By: Thompson, Guillen

H.B. No. 2728

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the operation and regulation of charitable bingo.

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

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

7 (6-a) "Card-minding device player account value"
8 means the amount of money accounted for by a card-minding device
9 that is the sum of:

10 (A) money deposited to a player's account through
11 a point-of-sale transaction;

12 (B) credits to the player's account as a bingo
13 prize for winning a game of bingo; and

14 (C) deductions from the player's account for
15 authorized purchases made by the player or in exchanging the value
16 of the account for money at the request of the player.

17 (8-a) "Crime of moral turpitude" means:

18 (A) a felony;

19 (B) a gambling offense;

20 (C) criminal fraud;

21 (D) forgery;

22 (E) theft;

23 (F) an offense that involves knowingly filing
24 false information with a governmental agency; or

1 (G) any ~~[offense that:~~
 2 ~~[(i) is classified in this state as a]~~ Class
 3 A misdemeanor defined by another state law as a crime of moral
 4 turpitude ~~[, and~~
 5 ~~[(ii) puts the honesty and integrity of the~~
 6 ~~individual who committed the offense in question].~~

7 SECTION 2. Section 2001.103(e), Occupations Code, is
 8 amended to read as follows:

9 (e) Notwithstanding Subsection (c), an authorized
 10 organization that holds an annual license to conduct bingo may
 11 receive not more than 36 ~~[24]~~ temporary licenses during the
 12 12-month period following the issuance or renewal of the
 13 license. The holder of a license that is effective for two years
 14 may receive not more than 36 ~~[24]~~ temporary licenses for each
 15 12-month period that ends on an anniversary of the date the license
 16 was issued or renewed.

17 SECTION 3. Sections 2001.160(a), (b), (e), and (f),
 18 Occupations Code, are amended to read as follows:

19 (a) On approval by the commission, a ~~[A]~~ licensed commercial
 20 lessor may ~~[not]~~ transfer a commercial lessor license ~~[except as~~
 21 ~~provided by this section.~~

22 ~~[(b) A transfer of a commercial lessor license under this~~
 23 ~~section may be made only with the prior approval of the commission.~~
 24 ~~The commission shall approve the transfer under this section]~~ if
 25 the person to whom the license will be transferred otherwise meets
 26 the requirements of this subchapter ~~[section].~~

27 (e) Unless the commission revokes or suspends the license

1 under this chapter, or an injunction is issued under this section, a
2 licensed authorized organization that conducts bingo lawfully at
3 premises under a license to which Subsection (d) applies may
4 continue conducting bingo at the premises after the death or
5 incapacity of the commercial lessor license holder.

6 (f) On the showing by the commission of a cause that would be
7 sufficient for the commission to revoke or suspend ~~[obtain]~~ a
8 license under this chapter or an applicable commission rule
9 ~~[suspension under Section 2001.355]~~, a district court in the county
10 for which a commercial lessor license was issued or the commission
11 by order may temporarily or permanently enjoin the conduct of bingo
12 at premises under a license to which Subsection (d) applies.

13 SECTION 4. Section 2001.409, Occupations Code, is amended
14 by adding Subsections (b), (c), and (d) to read as follows:

15 (b) A bingo player may use a card-minding device player
16 account value to purchase bingo cards.

17 (c) A licensed authorized organization that conducts bingo
18 may use a card-minding device to calculate and display a
19 card-minding device player account value.

20 (d) A licensed authorized organization may pay a bingo
21 player an amount equal to a card-minding device player account
22 value for that player only through a point-of-sale transaction.

23 SECTION 5. Section 2001.420(b), Occupations Code, is
24 amended to read as follows:

25 (b) A ~~[For bingo games other than pull-tab bingo, a]~~ person
26 may not offer or award on a single bingo occasion prizes with an
27 aggregate value of more than \$2,500 for all bingo games other than:

- 1 (1) pull-tab bingo; or
2 (2) bingo games that award individual prizes of \$25 or
3 less.

4 SECTION 6. The change in law made by this Act to Section
5 2001.160, Occupations Code, applies to a license to operate bingo
6 gaming issued under Chapter 2001, Occupations Code, regardless of
7 whether the license was issued before, on, or after the effective
8 date of this Act.

9 SECTION 7. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2011.

ADOPTED

MAY 25 2011

Atty Gen
Secretary of the Senate

H.B. No. 2728

Rocio VandePutte

By: _____

Substitute the following for H.B. No. 2728

Rocio VandePutte

By: _____

C.S. H.B. No. 2728

A BILL TO BE ENTITLED

1 AN ACT <EOH>

2 relating to the operation and regulation of charitable bingo.

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

4 SECTION 1. Section 2001.002(8-a), Occupations Code, is
5 amended to read as follows:

6 (8-a) "Crime of moral turpitude" means:

7 (A) a felony;

8 (B) a gambling offense;

9 (C) criminal fraud;

10 (D) forgery;

11 (E) theft;

12 (F) an offense that involves knowingly filing
13 false information with a governmental agency; or

14 (G) any ~~[offense that~~

15 ~~[(i) is classified in this state as a]~~

16 Class A misdemeanor defined by another state law as a crime of
17 moral turpitude ~~[and~~

18 ~~[(ii) puts the honesty and integrity of the~~
19 ~~individual who committed the offense in question].~~

20 SECTION 2. Sections 2001.160(a), (b), (e), and (f),
21 Occupations Code, are amended to read as follows:

22 (a) On approval by the commission, a [A] licensed
23 commercial lessor may ~~[not]~~ transfer a commercial lessor license
24 ~~[except as provided by this section.~~

1 ~~[(b) A transfer of a commercial lessor license under this~~
2 ~~section may be made only with the prior approval of the~~
3 ~~commission. The commission shall approve the transfer under~~
4 ~~this section]~~ if the person to whom the license will be
5 transferred otherwise meets the requirements of this subchapter
6 ~~[section]~~.

7 (e) Unless the commission revokes or suspends the license
8 under this chapter, or an injunction is issued under this
9 section, a licensed authorized organization that conducts bingo
10 lawfully at premises under a license to which Subsection (d)
11 applies may continue conducting bingo at the premises after the
12 death or incapacity of the commercial lessor license holder.

13 (f) On the showing by the commission of a cause that would
14 be sufficient for the commission to revoke or suspend ~~[obtain]~~ a
15 license under this chapter or an applicable commission rule
16 ~~[suspension under Section 2001.355]~~, a district court in the
17 county for which a commercial lessor license was issued or the
18 commission by order may temporarily or permanently enjoin the
19 conduct of bingo at premises under a license to which Subsection
20 (d) applies.

21 SECTION 3. The change in law made by this Act to Section
22 2001.160, Occupations Code, applies to a license to operate
23 bingo gaming issued under Chapter 2001, Occupations Code,
24 regardless of whether the license was issued before, on, or
25 after the effective date of this Act.

26 SECTION 4. This Act takes effect immediately if it
27 receives a vote of two-thirds of all the members elected to each

1 house, as provided by Section 39, Article III, Texas
2 Constitution. If this Act does not receive the vote necessary
3 for immediate effect, this Act takes effect September 1, 2011.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 25, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2728 by Thompson (Relating to the operation and regulation of charitable bingo.), As
Passed 2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend the Occupations Code relating to the operation and regulation of charitable bingo. The bill would further define the term "crime of moral turpitude" and provide for the transfer of a commercial lessor license in certain instances.

Based on the analysis of the Texas Lottery Commission, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 362 Texas Lottery Commission

LBB Staff: JOB, SD, KJG, RAN

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2728 by Thompson (Relating to the operation and regulation of charitable bingo.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

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No fiscal implication to units of local government is anticipated.

Source Agencies: 362 Texas Lottery Commission

LBB Staff: JOB, KJG, RAN

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 18, 2011

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2728 by Thompson (Relating to the operation and regulation of charitable bingo.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB2728, As Engrossed: a positive impact of \$2,443,000 through the biennium ending August 31, 2013.

Additionally, based on the analysis of the Comptroller of Public Accounts, the use of card minding devices that track the value of credits on bingo play would increase bingo revenue. However, the number of bingo operators that would use the card minding devices in their operations is unknown. Therefore, the increased bingo revenue associated with the use of card minding devices cannot be estimated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$1,202,000
2013	\$1,241,000
2014	\$1,286,000
2015	\$1,335,000
2016	\$1,389,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2011
2012	\$1,251,991	(\$49,991)	1.0
2013	\$1,287,527	(\$46,527)	1.0
2014	\$1,332,527	(\$46,527)	1.0
2015	\$1,381,527	(\$46,527)	1.0
2016	\$1,435,527	(\$46,527)	1.0

Fiscal Analysis

The bill would amend the Occupations Code to increase the number of temporary licenses which an authorized organization that holds an annual or two year license may receive in a 12 month period. The bill would amend the Occupations Code to define "card minding device player account value." The bill would also amend the Occupations Code to state that a bingo player may use card-minding

device player account value to purchase bingo cards. The bill would amend the Occupations Code to state that a person may not offer a single bingo prize with an aggregate value greater than \$2,500 for all bingo games except pull-tab bingo or bingo games that award individual prizes of \$25 or less.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III of the Texas Constitution. If the bill does not receive the vote necessary for immediate effect, this act would take effect on September 1, 2011.

Methodology

Based on the analysis of the Comptroller of Public Accounts (CPA) this bill would have a positive revenue impact on the state from increased bingo prize fees. Based on the analysis of the CPA it is assumed that an increased number of temporary licenses would have an impact on bingo play, and a larger effect would ensue from removing the maximum prize for a bingo occasion under certain conditions. For the purposes of this analysis, the CPA compiled data on pull tab play from the Texas Lottery Commission (TLC) and from other states. The CPA estimates a revenue increase of \$1,202,000 in 2012, \$1,241,000 in 2013, \$1,286,000 in 2014, \$1,335,000 in 2015, and \$1,389,000 in 2016. This analysis assumes that there would be no significant fiscal impact to increases in the state's bingo rental tax resulting from the provisions of the bill.

Based on the analysis of the CPA, there would be a positive revenue impact to the state from increased bingo play resulting from the use of card minding devices. However, due to the unknown number of bingo providers that would use the card minding devices this amount cannot be estimated.

Based on the analysis of the TLC the agency would need 1.0 full-time-equivalent position (FTE) to implement the provisions of the bill due to the increase in licensees generated by the bill. The bill would have a salary cost of \$31,729 beginning in fiscal year 2012 and for each year thereafter. Benefits costs associated with the FTE would be \$8,840 each year assuming a benefits cost of 27.86 percent. Other costs associated with the FTE would be \$9,422 in 2012 and \$5,958 in each year thereafter. This analysis assumes the agency would generate sufficient revenue to cover the increased costs associated with implementing the bill.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

LBB Staff: JOB, KJG, MW, RAN, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 28, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2728 by Thompson (Relating to the operation and regulation of charitable bingo.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2728, Committee Report 1st House, Substituted: a positive impact of \$2,443,000 through the biennium ending August 31, 2013.

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LBB Staff: JOB, RAN, AG, MW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 4, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2728 by Thompson (Relating to the operation and regulation of charitable bingo.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB2728, As Introduced: a positive impact of \$2,443,000 through the biennium ending August 31, 2013.

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LBB Staff: JOB, AG, MW, RAN