

## **BILL ANALYSIS**

C.S.H.B. 2642  
By: Thompson, Senfronia  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Recently, the Texas Legislature established a special legislative committee to review the lottery and charitable bingo in Texas. On the issue of charitable bingo, general concerns were voiced that the proceeds from the conduct of charitable bingo were at times insufficient to cover bingo operations, the cost of regulation, and state and local tax burden, making it very difficult for operators to generate a profit. Interested parties explain that increased competition from both legal and illegal gaming also is mitigating the bingo operators' ability to turn a profit, particularly in some parts of the state. In response to these concerns, certain reforms to increase the net proceeds of charitable bingo operations have been proposed. C.S.H.B. 2642 seeks to address these reforms by amending the applicable law.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority previously granted to the Texas Lottery Commission is transferred to the Texas Commission of Licensing and Regulation in SECTIONS 1.006, 1.010, 1.029, 1.031, 1.042, 1.053, 1.059, 1.066, 1.069, and 1.072 of this bill and that rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTIONS 1.014, 1.022, 1.055, and 1.061 of this bill.

### **ANALYSIS**

#### **Regulation of Charitable Bingo**

C.S.H.B. 2642 amends the Occupations Code to transfer, on September 1, 2015, all functions and activities performed by the Texas Lottery Commission relating to the regulation of bingo operations under the Bingo Enabling Act immediately before that date to the Texas Department of Licensing and Regulation (TDLR). The bill establishes that, on September 1, 2015:

- a rule, policy, procedure, decision, or form adopted by the lottery commission relating to the Bingo Enabling Act is a rule, policy, procedure, decision, or form of the Texas Commission of Licensing and Regulation or TDLR, as applicable, and remains in effect until amended or replaced by that commission or TDLR unless the rule, policy, procedure, decision, or form conflicts with the changes in law made by the bill's provisions;
- unless the context clearly indicates otherwise, a reference to the lottery commission in a law or administrative rule that relates to the Bingo Enabling Act means the Texas Commission of Licensing and Regulation or TDLR, as applicable;

- a complaint, investigation, or other proceeding before the lottery commission that is related to the Bingo Enabling Act is transferred without change in status to TDLR, and TDLR assumes, as appropriate and without a change in status, the position of the lottery commission in an action or proceeding to which the lottery commission is a party;
- a license, permit, certification, or registration in effect that was issued by the lottery commission under the Bingo Enabling Act is continued in effect as a license, permit, certification, or registration of TDLR;
- all money, contracts, leases, property, and obligations of the lottery commission relating to the Bingo Enabling Act are transferred to TDLR; and
- the unexpended and unobligated balance of any money appropriated by the legislature for the lottery commission related to the Bingo Enabling Act is transferred to TDLR.

C.S.H.B. 2642 establishes that, on September 1, 2015, all full time equivalent employee positions at the lottery commission that primarily concern the administration, auditing, accounting, enforcement, or other direct and indirect support of the Bingo Enabling Act become positions at TDLR and requires TDLR, when filling the positions, to give first consideration to an applicant who, as of August 31, 2015, was an employee at the lottery commission primarily involved in administering or enforcing the Bingo Enabling Act. The bill requires the lottery commission, not later than June 1, 2015, to grant TDLR inquiry-only security access to all licensing, enforcement, and examination software or computer systems used by the lottery commission in administering or enforcing the Bingo Enabling Act and to the uniform statewide accounting system, the state property accounting system, the uniform statewide payroll system, and the human resources information system for the lottery commission. The bill authorizes the lottery commission, before September 1, 2015, to agree with TDLR to transfer any property of the lottery commission to TDLR to implement the transfers required by the bill.

C.S.H.B. 2642 requires TDLR and the lottery commission to coordinate implementation of the transfer and requires the lottery commission to cooperate with TDLR in transferring all data and records necessary to implement the transfer. The bill requires the lottery commission and TDLR, before July 15, 2015, to develop and enter into a memorandum of understanding regarding the transfers required by the bill and requires the memorandum to include a transition plan with a timetable and specific steps and deadlines required to complete the transfer. The bill requires, not later than December 1, 2015, a manufacturer of bingo equipment or supplies that submitted to the lottery commission a manufacturer's license bond before September 1, 2015, that is in effect on the bill's effective date to amend the bond to name TDLR as the payee for the bond. The bill requires such a bond given on or after the bill's effective date to comply with Bingo Enabling Act provisions relating to manufacturer's and distributor's licenses as those provisions are amended by the bill. The bill's provisions relating to the transfer are effective on passage, or, if the bill does not receive the necessary vote, September 1, 2015.

C.S.H.B. 2642 repeals Occupations Code provisions defining "adjusted gross receipts," for purposes of the Bingo Enabling Act, as the amount remaining after prizes paid, excluding prize fees collected from bingo players. The bill amends the Occupations Code to replace the term "gross receipts," as defined in the Bingo Enabling Act, with "gross gaming revenue" and to define it as the formerly defined "gross receipts" less the amount of cash prizes paid to winners of bingo games. The bill replaces references to "adjusted gross receipts" with references to "gross gaming revenue" in statutory provisions relating to the biennial charitable bingo report to be prepared by the Texas Commission of Licensing and Regulation under the bill's provisions.

C.S.H.B. 2642 replaces a statutory provision authorizing the appointment by the commission of a bingo advisory committee with a provision requiring the appointment of the committee and includes representatives of bingo equipment and supplies distributors and manufacturers among the representatives the commission is required to appoint to represent a balance of interests. The bill clarifies that an advisory committee member serves at the pleasure of the presiding officer of

the commission and subjects an advisory committee member's entitlement to reimbursement for reasonable expenses incurred in performing duties as a member to the availability of funds and applicable limitations of the General Appropriations Act. The bill extends certain advisory committee authority to the executive director of TDLR and TDLR, removes the committee's authority to report annually to the commission on the committee's activities, revises the committee's authority to meet, and removes a provision authorizing the commission to adopt rules to govern the operations of the committee.

C.S.H.B. 2642 removes the requirement that the renewal process for a license to conduct bingo require a license holder renewing a license to submit to the commission the information required in the initial license application. The bill specifies that a fraternal organization TDLR is authorized to license to conduct bingo is to be a fraternal organization that has been organized in Texas for at least three years. The bill repeals a statutory provision prohibiting an authorized organization that holds an annual license to conduct bingo from receiving not more than 24 temporary licenses during a specified time period. The bill increases from six to 24 the maximum number of temporary licenses an authorized organization may receive and changes the period during which a temporary license may be received from a calendar year to the 12-month period following the issuance or renewal of the organization's license to conduct bingo. The bill removes requirements relating to verification by the commission that notification from an organization that will use a temporary license has been received.

C.S.H.B. 2642 specifies that the fees for a license to conduct bingo set by the commission be based on the amount of the licensed authorized organization's total receipts derived from the conduct of bingo, establishes that the fees are to be set by commission rule, and revises the minimum fees. The bill removes a provision authorizing an applicant for a license or renewal of a license to obtain a two-year license by paying an amount equal to two times the amount of the annual license fee.

C.S.H.B. 2642 prohibits TDLR from issuing a license to an authorized organization to conduct bingo if a person under whose name bingo will be conducted has been convicted of criminal fraud or a gambling or gambling-related offense and removes from the conditions under which TDLR is required to issue or renew a license to conduct bingo a determination that no person under whose name bingo will be conducted and no person working at the proposed bingo has been convicted of a gambling offense or criminal fraud. The bill prohibits TDLR from taking disciplinary action against a licensed authorized organization that has on file for an officer, member of the organization's board of directors, a person under whose name bingo will be conducted, or an organization employee a criminal history records check, conducted by a local law enforcement agency or the Department of Public Safety, that does not contain a record of a conviction for such an offense. The bill requires TDLR, if a criminal history records check on the person or employee conducted by TDLR contains a record of a conviction for such an offense, to immediately notify the organization of the conviction and prohibits the organization from allowing the person or employee to conduct bingo for the organization after receipt of the notification. The bill authorizes TDLR to take disciplinary action against an organization that allows such a person or an organization employee to conduct bingo for the organization after the date the organization receives the notice.

C.S.H.B. 2642 removes a statutory provision authorizing a licensed authorized organization, if the commission fails to act within a specified period upon an application to change the premises at which the organization conducts bingo, to act as if the change in premises or bingo occasions has been approved by the commission and to conduct bingo at the new premises or during the new bingo occasion until the commission acts on the application. The bill removes a statutory provision prohibiting TDLR from issuing a commercial lessor license to or renewing a commercial lessor license of a foreign corporation or other foreign legal entity, an individual who is not a Texas resident, a corporation or other legal entity owned or controlled by a foreign corporation or an individual who is not a Texas resident, or a corporation or other legal entity whose shares are publicly traded or is owned or controlled by a corporation whose shares are

publicly traded.

C.S.H.B. 2642 establishes that commercial lessor license fees are to be set by commission rule and revises the minimum fees for a commercial lessor license. The bill removes the authority of the commission or 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 a license for which the license holder dies or becomes incapacitated as determined by a court of this state and instead authorizes a district court in Travis County by order to temporarily or permanently enjoin such conduct of bingo. The bill prohibits a manufacturer from offering to sell or supply to a person in Texas or for use in Texas certain supplies or equipment designed to be used in playing bingo unless the manufacturer holds a manufacturer's license. The bill removes statutory language specifying that a temporary authorization for activity does not grant a vested right in the temporary authorization or the privileges conferred.

C.S.H.B. 2642 expands the conduct that constitutes an offense involving selling bingo equipment or supplies to a licensed authorized organization by a person who does not hold a manufacturer's or distributor's license to include offering to sell such equipment or supplies. The bill makes the first offense of a person without the appropriate license who sells, offers to sell, or attempts to induce the sale of bingo equipment or supplies to a licensed authorized organization a state jail felony and enhances the penalty for a subsequent offense to a third degree felony. The bill removes the specification, in statutory provisions establishing that immunity from prosecution does not extend to a person engaging in specified actions, that the person engage in those actions knowingly.

C.S.H.B. 2642 changes the basis for which the commission by rule may provide for different recordkeeping procedures for licensed authorized organizations by class from a basis on the amount of gross receipts of the organization to a basis on the amount of the organization's total receipts derived from the conduct of bingo. The bill removes the commission from the entities prohibited from advertising bingo and authorized to advertise the amount of a prize or series of prizes offered at a bingo occasion.

C.S.H.B. 2642 establishes that the value of a merchandise bingo prize is the amount paid for the merchandise by the licensed authorized organization and specifies that a merchandise bingo prize includes bingo cards, bingo pull-tabs, the use of a card-minder, bingo daubers, and other bingo merchandise awarded as a prize for winning a bingo game. The bill authorizes the commission to adopt rules for a bingo market region in Texas that affect the percentage of total receipts derived from the conduct of bingo that is paid by licensed authorized organizations within that market region as prizes for bingo games if the commission determines that the percentages of the total receipts paid for the prizes by the organizations within that market region unreasonably reduce the amount of the organizations' net proceeds in that market region. The bill establishes that such a rule may establish a minimum price charged for a bingo card or pull-tab or for use of a card-minding device, must allow flexibility in compliance with the rule by the licensed authorized organizations within the affected bingo market region to allow the organizations to achieve substantial compliance without undue burden on the organizations or their customers, and must apply equally to each licensed authorized organization operating at a bingo premises within the bingo market region. The bill establishes that an individual bingo market region set by the commission must include all the territory in a single county and that the region may include part of the territory in an adjacent county as necessary for the commission to define a bingo market region. The bill requires the commission to annually review the impact of an adopted rule on the conduct of bingo within the bingo market region and authorizes the commission to amend or repeal the rule if the rule does not serve the specified purposes.

C.S.H.B. 2642 sets out provisions establishing the required minimum net proceeds of licensed authorized organizations located at a single bingo premises based on the combined gross gaming revenue of those organizations, including certain temporary provisions, set to expire December 31, 2019, specifying minimums for the 2016 and 2017 calendar years and establishing specified

minimums applicable only to a bingo premises that on January 1, 2015, was operated under an active lessor license and was located in a county any part of which is within 75 miles of a casino that has electronic gaming. The bill exempts a licensed authorized organization located at a single bingo premises with combined gross gaming revenue equal to or less than \$500,000 in a calendar year that conducts not more than two bingo occasions during any week during a calendar year from the minimum net proceeds requirement and authorizes the commission by rule to impose minimum net proceeds requirements in amounts less than the amounts required for such an organization. The bill sets out conditions under which TDLR is required to waive or reduce the required minimum net proceeds and requires TDLR, if the minimum net proceeds percentage is waived or reduced because of illegal gaming, to notify the county commissioners court of the county in which each affected bingo premises is located and the governing body of any municipality in which the premises is located of TDLR's action and the reasons for that action. The bill requires the bingo operations of a licensed authorized organization, beginning January 1, 2016, to result in net proceeds in the amounts specified by the bill over the calendar year in which the license is in effect.

C.S.H.B. 2642 replaces references to a prize fee with references to a prize tax, makes statutory provisions requiring a licensed authorized organization to collect a prize tax applicable only to a cash bingo prize, and specifies that the prize tax does not apply to a merchandise prize, including bingo cards, bingo pull-tabs, use of a card-minder, bingo daubers, and other bingo merchandise awarded as a prize for winning a bingo game. The bill removes statutory language requiring a licensed authorized organization to remit a prize fee to the commission and instead sets out provisions requiring such an organization to remit a prize tax quarterly in the amount of 50 percent of the amount collected as the prize tax to the county and municipality in which the bingo game is conducted under certain conditions and to deposit a certain amount of the taxes in the general charitable fund of the organization. The bill authorizes the governing body of a county or municipality that was entitled to receive a portion of the prize fee under specified statutory provisions relating to local share of the fee, as those provisions existed immediately before the bill's effective date, to only continue receiving a portion of the prize tax collected after the bill's effective date if the governing body by majority vote approves the continued receipt of such funds and notifies TDLR of that decision not later than November 1, 2015, and notifies each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued quarterly imposition of the tax and the payment information for the tax. The bill requires TDLR, not later than October 1, 2015, to notify the governing body of a county or municipality that was entitled to receive a portion of the prize fee of the requirements for continued receipt of the prize tax.

C.S.H.B. 2642 amends the Government Code to exclude the Bingo Enabling Act from statutory provisions set to expire on the abolishment of the lottery commission under the Texas Sunset Act and to make conforming changes.

C.S.H.B. 2642 repeals certain Occupations Code provisions relating to the commission's powers and duties under the Bingo Enabling Act; a license to conduct bingo; a commercial lessor license; manufacturer's and distributor's licenses; general provisions governing such licenses; the denial, revocation, and suspension of licenses; unit accounting; bingo accounts and use of proceeds; taxes and prize fees; enforcement; and administrative penalties. The bill requires the commission, not later than March 1, 2016, to adopt the rules necessary to implement the changes in the Bingo Enabling Act provided in the bill's provisions.

### **Regulation of Amusement Redemption Machine Game Rooms on Licensed Bingo Premises**

C.S.H.B. 2642 amends the Local Government Code to make game room regulations adopted by the commissioners court of a county applicable to a location at which bingo is conducted under the Bingo Enabling Act in the same manner as the regulations apply to other premises subject to the regulations. The bill prohibits the authorized game room regulations from restricting or prohibiting the location of a game room at a location where bingo was conducted on or before

January 1, 2015, under a license issued under the Bingo Enabling Act; from requiring signage or the placing of regulations on the windows or doors of such a location; from restricting the hours of operation of a game room at such a location; or from applying to such a location in a manner that is different from a location that derives more than 50 percent of its sales from the sale of food or beverages, including alcohol and liquor sales.

C.S.H.B. 2642 repeals Local Government Code provisions relating to the regulation of game rooms by a county with a population of less than 25,000 that is adjacent to the Gulf of Mexico and is within 50 miles of an international border and repeals a provision within statutory provisions relating to the regulation of game rooms by a county with a population of four million or more limiting the applicability of those provisions to such a county.

C.S.H.B. 2642 repeals the following provisions:

- Section 467.021(c), Government Code
- Section 467.031, Government Code
- Section 2001.051(c), Occupations Code
- Section 2001.052, Occupations Code
- Section 2001.0541, Occupations Code
- Section 2001.058, Occupations Code
- Section 2001.060(b), Occupations Code
- Section 2001.101(b), Occupations Code
- Sections 2001.103(e) and (h), Occupations Code
- Section 2001.157, Occupations Code
- Section 2001.158(d), Occupations Code
- Section 2001.159(c), Occupations Code
- Sections 2001.211(b), (c), and (d), Occupations Code
- Section 2001.213, Occupations Code
- Section 2001.214(b), Occupations Code
- Section 2001.304, Occupations Code
- Section 2001.305, Occupations Code
- Section 2001.308, Occupations Code
- Section 2001.313, Occupations Code
- Section 2001.314, Occupations Code
- Section 2001.351, Occupations Code
- Section 2001.352, Occupations Code
- Section 2001.353(d), Occupations Code
- Section 2001.354, Occupations Code
- Section 2001.355, Occupations Code
- Section 2001.356, Occupations Code
- Section 2001.357, Occupations Code
- Section 2001.358, Occupations Code
- Section 2001.436(c), Occupations Code
- Section 2001.437(f), Occupations Code
- Section 2001.451(b-1), Occupations Code
- Section 2001.459(b), Occupations Code
- Section 2001.501, Occupations Code
- Section 2001.503, Occupations Code
- Sections 2001.504(b), (c), (d), and (e), Occupations Code
- Section 2001.507, Occupations Code
- Section 2001.508, Occupations Code
- Section 2001.509, Occupations Code
- Section 2001.510, Occupations Code
- Section 2001.511, Occupations Code

- Section 2001.512, Occupations Code
- Section 2001.513, Occupations Code
- Section 2001.514, Occupations Code
- Section 2001.515, Occupations Code
- Section 2001.553, Occupations Code
- Section 2001.602, Occupations Code
- Section 2001.603, Occupations Code
- Section 2001.604, Occupations Code
- Section 2001.605, Occupations Code
- Section 2001.606, Occupations Code
- Section 2001.607, Occupations Code
- Section 2001.608, Occupations Code
- Section 2001.609, Occupations Code
- Section 2001.610, Occupations Code
- Section 2001.611, Occupations Code
- Section 10, Chapter 1057 (H.B. 3021), Acts of the 74th Legislature, Regular Session, 1995
- Section 234.132, Local Government Code, as added by Chapter 1377 (H.B. 1127), Acts of the 83rd Legislature, Regular Session, 2013
- Subchapter E, Chapter 234, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013

**EFFECTIVE DATE**

Except as otherwise provided, September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2642 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
ARTICLE 1. REGULATION OF CHARITABLE BINGO	Same as introduced version.
SECTION 1.01. Sections 2001.002(13) and (18), Occupations Code, are amended to read as follows:	SECTION 1.001. Section 2001.002, Occupations Code, is amended by amending Subdivisions (8), (13), (18), and (25-a) and adding Subdivisions (8-a) and (9-a) to read as follows:
	(8) "Commission" means the Texas <del>Lottery</del> Commission of Licensing and Regulation.
	(8-a) "Department" means the Texas Department of Licensing and Regulation.
	(9-a) "Executive director" means the executive director of the department.
(13) "Gross gaming revenue [receipts]" means the total amount received from the sale, rental, transfer, or use of bingo cards and entrance fees charged at premises at	(13) "Gross gaming revenue [receipts]" means the total amount received from the sale, rental, transfer, or use of bingo cards and entrance fees charged at premises at

which bingo is conducted less the amount of cash prizes paid to winners of bingo games.

(18) "Net proceeds" means:

(A) in relation to the total [~~gross~~] receipts from the conduct of bingo during one or more bingo occasions, the amount remaining after deducting the reasonable sums necessarily and actually expended for expenses under Section 2001.458 and the fee on prizes under Section 2001.502; and

(B) in relation to the gross rent or other consideration received by a licensed authorized organization for the use of its premises, fixtures, or equipment by another license holder, the amount remaining after deducting the reasonable sums necessarily and actually expended for any janitorial services and utility supplies directly attributable to the use of the premises, fixtures, or equipment.

No equivalent provision.

No equivalent provision.

No equivalent provision.

which bingo is conducted less the amount of cash prizes paid to winners of bingo games.

(18) "Net proceeds" means:

(A) in relation to the total [~~gross~~] receipts from the conduct of bingo during one or more bingo occasions, the amount remaining after deducting the reasonable sums necessarily and actually expended for expenses under Section 2001.458 and the tax [~~fee~~] on prizes under Section 2001.502; and

(B) in relation to the gross rent or other consideration received by a licensed authorized organization for the use of its premises, fixtures, or equipment by another license holder, the amount remaining after deducting the reasonable sums necessarily and actually expended for any janitorial services and utility supplies directly attributable to the use of the premises, fixtures, or equipment.

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

SECTION 1.002. The heading to Subchapter B, Chapter 2001, Occupations Code, is amended to read as follows:  
SUBCHAPTER B. [~~COMMISSION~~]  
POWERS AND DUTIES

SECTION 1.003. The heading to Section 2001.051, Occupations Code, is amended to read as follows:  
Sec. 2001.051. CONTROL AND SUPERVISION OF BINGO[;—~~BINGO DIVISION~~].

SECTION 1.004. Sections 2001.051(a) and (b), Occupations Code, are amended to read as follows:  
(a) The department [~~commission~~] shall administer this chapter.  
(b) The commission has broad authority and shall exercise [~~strict~~] control and close supervision over all bingo conducted in this state so that bingo is fairly conducted and

the proceeds derived from bingo are used for an authorized purpose.

No equivalent provision.

SECTION 1.005. Section 2001.053, Occupations Code, is amended to read as follows:

Sec. 2001.053. OFFICERS AND INVESTIGATORS. The executive director [~~commission~~] may employ officers or investigators the executive director [~~commission~~] considers necessary to administer this chapter.

No equivalent provision.

SECTION 1.006. Sections 2001.056(b), (c), (d), and (e), Occupations Code, are amended to read as follows:

(b) A license holder may not use or distribute a bingo card unless the card has been approved by the department [~~commission~~].

(c) The executive director or commission may set the price or adopt a schedule of prices for the sale or provision of bingo cards by a licensed authorized organization.

(d) A licensed authorized organization may not sell or provide a bingo card at a price other than a price authorized by the executive director or commission or a schedule adopted by the executive director or commission.

(e) The commission by rule may require a licensed authorized organization to notify the department [~~commission~~] of the price for bingo cards the organization will use for one or more reporting periods.

SECTION 1.02. Section 2001.057(a), Occupations Code, is amended to read as follows:

(a) The commission shall [~~may~~] appoint a bingo advisory committee consisting of nine members. The commission shall appoint members representing a balance of interests including representatives of:

- (1) the public;
- (2) charities that operate bingo games; [~~and~~]
- (3) commercial and charity lessors that participate in the bingo industry; and

SECTION 1.007. Section 2001.057, Occupations Code, is amended to read as follows:

Sec. 2001.057. BINGO ADVISORY COMMITTEE AND ADVICE FOR COMMISSION.

(a) The commission shall [~~may~~] appoint a bingo advisory committee consisting of nine members. The commission shall appoint members representing a balance of interests including representatives of:

- (1) the public;
- (2) charities that operate bingo games; [~~and~~]
- (3) commercial and charity lessors that participate in the bingo industry;

(4) distributors.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 1.03. Sections 2001.060(a) and (c), Occupations Code, are amended to read as follows:

(a) On or before June 1 of each even-numbered year, the commission shall prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, and the chairs of the standing committees of the senate and

(4) distributors; and  
(5) manufacturers.

(c) An advisory [A] committee member serves at the pleasure of the presiding officer of the commission.

(d) An advisory [A] committee member is not entitled to receive compensation for serving as a member. A ~~[committee]~~ member is entitled to reimbursement for reasonable expenses incurred in performing duties as a member subject to the availability of funds and applicable limitations of the General Appropriations Act.

(e) The advisory committee, executive director, and department may:

- (1) advise the commission on the needs and problems of the state's bingo industry;
- (2) comment on rules involving bingo during their development and before final adoption unless an emergency requires immediate action by the commission; and
- (3) ~~[report annually to the commission on the committee's activities; and~~
- ~~[(4)]~~ perform other duties as determined by the commission or executive director.

(f) The advisory committee may meet ~~[quarterly or]~~ at the executive director's or the presiding officer's [commission's] request.

~~[(g) The commission may adopt rules to govern the operations of the committee.]~~

SECTION 1.008. Section 2001.059(f), Occupations Code, is amended to read as follows:

(f) The commission may delegate all or part of the authority and procedures for issuing advisory opinions under this section to an employee of the department [commission].

SECTION 1.009. Sections 2001.060(a) and (c), Occupations Code, are amended to read as follows:

(a) On or before June 1 of each even-numbered year, the department [commission] shall prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, and the chairs of the standing committees of the

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

(1) the total amount of ~~[adjusted]~~ gross gaming revenue ~~[receipts]~~ reported by licensed authorized organizations from their bingo operations;

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

(3) a comparison of the amounts reported under Subdivisions (1) and (2), including the percentage that the net proceeds represents of the ~~[adjusted]~~ gross gaming revenue ~~[receipts]~~.

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

No equivalent provision.

No equivalent provision.

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

(1) the total amount of ~~[adjusted]~~ gross gaming revenue ~~[receipts]~~ reported by licensed authorized organizations from their bingo operations;

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

(3) a comparison of the amounts reported under Subdivisions (1) and (2), including the percentage that the net proceeds represents of the ~~[adjusted]~~ gross gaming revenue ~~[receipts]~~.

(c) For purposes of Subsection (a), the department ~~[commission]~~ shall determine the total amount of net proceeds in a manner that does not reduce gross gaming revenue ~~[receipts]~~ by the amount of rent paid for the rental of bingo premises by a licensed authorized organization to another licensed authorized organization if the other organization pays rent for the premises to a licensed commercial lessor.

SECTION 1.010. Section 2001.061, Occupations Code, is amended to read as follows:

Sec. 2001.061. LICENSE RENEWAL PROCESS. The commission shall adopt rules governing each part of the license renewal process for all licenses issued under this chapter, from application submission to completion of the renewal process. ~~[The process must require a license holder renewing a license to submit to the commission the information required in the initial license application.]~~

SECTION 1.011. Section 2001.101(a), Occupations Code, is amended to read as follows:

(a) The department ~~[commission]~~ may license a person who is an authorized organization eligible for a license to conduct bingo if the person is:

(1) a religious society that has existed in this state for at least three years;

(2) a nonprofit organization:

(A) whose predominant activities are for

the support of medical research or treatment programs; and

(B) that for at least three years:

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

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

(3) a fraternal organization that has been organized in this state for at least three years;

(4) a veterans organization that has existed in this state for at least three years;

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

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

No equivalent provision.

SECTION 1.012. Sections 2001.102(a) and (b), Occupations Code, are amended to read as follows:

(a) An applicant for a license to conduct bingo must file with the department [~~commission~~] an application on a form prescribed by the department [~~commission~~].

(b) The application must include:

(1) the name and address of the applicant;

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

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

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

(5) a statement that the net proceeds of bingo will go to one or more of the authorized charitable purposes under this chapter;

(6) a designation of the applicant organization's bingo chairperson under whom bingo will be conducted accompanied by a statement signed by the chairperson stating that the chairperson will be responsible for the conduct of bingo under the terms of the license and this chapter;

(7) sufficient facts relating to the applicant's

incorporation and organization to enable the department [~~commission~~] to determine whether the applicant is an authorized organization;

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

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

(10) [~~copies of~~] the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation;

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

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

No equivalent provision.

SECTION 1.013. Sections 2001.103(a), (c), (f), and (g), Occupations Code, are amended to read as follows:

(a) An authorized organization may receive a temporary license to conduct bingo by filing with the department [~~commission~~] an application, on a form and in the manner prescribed by the department [~~commission~~], accompanied by a \$25 license fee.

(c) An organization may not receive more than 24 [~~six~~] temporary licenses in the 12-month period following the issuance or renewal of the organization's license to conduct bingo [~~a calendar year~~].

(f) An authorized organization that holds an annual [~~a regular~~] license to conduct bingo may apply for all or any portion of the total number of temporary licenses to which the organization is entitled under Subsection (c) [~~(e)~~] in one application without stating the days or times for which the organization will use the temporary licenses.

(g) An organization that has been issued a temporary license under Subsection (f) shall notify the department [~~commission~~] of the specific date and time of the bingo occasion for which the temporary license will be used before using the license. [~~If the commission receives the notification by noon of the day before the day the temporary license will be~~

~~used, the commission shall verify receipt of the notice before the end of the business day on which the notice is received. If the commission does not receive the notification by noon of the day before the day the temporary license will be used, the commission shall verify receipt of the notice before noon of the business day that follows the day the commission received the notice.]~~

SECTION 1.04. Section 2001.104, Occupations Code, is amended by amending Subsections (a) and (d) and adding Subsection (d-1) to read as follows:

(a) The commission shall set the fees for a license to conduct bingo based on the amount of the licensed authorized organization's total receipts derived from the conduct of bingo and in an amount reasonable to defray administrative costs but not less than the following:

(1) Class A (annual [~~gross~~] receipts of ~~\$25,000 or less~~)-\$100;

(2) Class B (annual [~~gross~~] receipts of more than ~~\$25,000 but not more than \$50,000~~)-\$200;

(3) Class C (annual [~~gross~~] receipts of more than ~~\$50,000 but not more than \$75,000~~)-\$300;

(4) Class D (annual [~~gross~~] receipts of more than ~~\$75,000 but not more than \$100,000~~)-\$400;

(5) Class E (annual [~~gross~~] receipts of more than ~~\$100,000 but not more than \$150,000~~)-\$600;

(6) Class F (annual [~~gross~~] receipts of more than ~~\$150,000 but not more than \$200,000~~)-\$900;

(7) Class G (annual [~~gross~~] receipts of more than ~~\$200,000 but not more than \$250,000~~)-\$1,200;

(8) Class H (annual [~~gross~~] receipts of more than ~~\$250,000 but not more than \$300,000~~)-\$1,500;

(9) Class I (annual [~~gross~~] receipts of more than ~~\$300,000 but not more than \$400,000~~)-\$2,000; and

(10) Class J (annual [~~gross~~] receipts of more than ~~\$400,000~~)-\$2,500.

(d) Except as provided by Subsection (d-1), an ~~An~~ applicant shall pay the fees established under Subsection (a) annually.

SECTION 1.014. Sections 2001.104(a), (d), and (e), Occupations Code, are amended to read as follows:

(a) The commission by rule shall set the fees for a license to conduct bingo based on the amount of the licensed authorized organization's total receipts derived from the conduct of bingo and in an amount reasonable to defray the department's administrative costs but not less than the following:

(1) Class A (annual [~~gross~~] receipts of ~~not more than \$75,000~~)-\$300 [~~\$25,000 or less~~]-\$100];

(2) Class B (annual [~~gross~~] receipts of more than ~~\$75,000~~ [~~\$25,000~~] but not more than ~~\$200,000~~)-\$900 [~~\$50,000~~]-\$200];

(3) Class C (annual [~~gross~~] receipts of more than ~~\$200,000~~ [~~\$50,000~~] but not more than ~~\$400,000~~)-\$2,000 [~~\$75,000~~]-\$300]; and

(4) Class D (annual [~~gross~~] receipts of more than ~~\$75,000 but not more than \$100,000~~)-\$400;

~~[(5) Class E (annual gross receipts of more than \$100,000 but not more than \$150,000)-\$600;~~

~~[(6) Class F (annual gross receipts of more than \$150,000 but not more than \$200,000)-\$900;~~

~~[(7) Class G (annual gross receipts of more than \$200,000 but not more than \$250,000)-\$1,200;~~

~~[(8) Class H (annual gross receipts of more than \$250,000 but not more than \$300,000)-\$1,500;~~

~~[(9) Class I (annual gross receipts of more than \$300,000 but not more than \$400,000)-\$2,000; and~~

~~[(10) Class J (annual gross receipts of more than] \$400,000)-\$2,500.~~

(d) An applicant shall pay the fees established under Subsection (a) annually.

(d-1) An applicant for a license or renewal of a license may obtain a license that is effective for two years by paying ~~[an amount equal to two times the amount of]~~ the annual license fee before the beginning of each year of the two-year license.

~~[An applicant for a license or renewal of a license may obtain a license that is effective for two years by paying an amount equal to two times the amount of the annual license fee.]~~

(e) A licensed authorized organization may pay in advance, or establish an escrow account with the department ~~[commission]~~ to cover, fees assessed under this chapter for the amendment of a license or issuance of a temporary license.

No equivalent provision.

SECTION 1.015. Section 2001.105, Occupations Code, is amended to read as follows:

Sec. 2001.105. LICENSE ISSUANCE OR RENEWAL; DISCIPLINARY ACTION FOR CERTAIN CONVICTIONS. (a) The department ~~[commission]~~ shall issue or renew a license to conduct bingo on payment of the license fee provided by Section 2001.104 if the department ~~[commission]~~ determines that:

- (1) the member or members of the applicant designated in the application to conduct bingo are active members of the applicant;
- (2) the bingo is to be conducted in accordance with this chapter;
- (3) the proceeds of the bingo are to be disposed in accordance with this chapter;
- (4) the applicant has made and can demonstrate significant progress toward the accomplishment of the purposes of the organization during the 12 months preceding the date of application for a license or license renewal; and
- (5) all persons who will conduct, promote, or administer the proposed bingo are active members of the applicant organization and all other persons who will assist in conducting, promoting, or administering the proposed bingo games are persons authorized ~~[to do so]~~ by the applicant ~~[Section 2001.411; and~~  
~~[(6) no person under whose name bingo will be conducted and no person working at the proposed bingo has been convicted of a gambling offense or criminal fraud].~~

(b) The department ~~[commission]~~ may not issue a license to an authorized organization to conduct bingo if an officer or member of the board of directors of the organization, or a person under whose name bingo will be

conducted, has been convicted of criminal fraud or a gambling or gambling-related offense.

(b-1) The department may not take disciplinary action against a licensed authorized organization that has on file for a person described by Subsection (b) or an organization employee a criminal history records check, conducted by a local law enforcement agency or the Department of Public Safety, that does not contain a record of a conviction for an offense described by that subsection. If the department conducts a criminal history records check on the person or employee that contains a record of a conviction for an offense described by that subsection:

(1) the department shall immediately notify the organization of the conviction; and

(2) the organization is prohibited from allowing the person or employee to conduct bingo for the organization after receipt of the notification.

(b-2) The department may take disciplinary action against an organization that allows a person described by Subsection (b) or organization employee to conduct bingo for the organization after the date the organization receives the notification required under Subsection (b-1)(1).

(c) A [Except as provided by Section 2001.104(d), a] license issued under this subchapter is effective for one year.

No equivalent provision.

SECTION 1.016. Sections 2001.107(b) and (c), Occupations Code, are amended to read as follows:

(b) A training program approved by the department [~~commission~~] must include training related to:

(1) conducting bingo;

(2) administering and operating bingo; and

(3) promoting bingo.

(c) The department [~~commission by rule~~] shall establish:

(1) the content of the training course;

(2) information concerning training to be reported to the department [~~commission~~]; and

(3) other training program requirements that the department [~~commission~~] determines to be necessary to promote the fair conduct of bingo and compliance with this chapter.

No equivalent provision.

SECTION 1.017. Section 2001.108, Occupations Code, is amended to read as follows:

Sec. 2001.108. LICENSE AMENDMENT FOR CHANGE OF BINGO PREMISES OR OCCASIONS. (a) A licensed authorized organization and the licensed commercial lessor at which the organization conducts or will conduct bingo may file a joint application with the department [~~commission~~] to change the premises at which the organization may conduct bingo or the times of the organization's bingo occasions to allow the organization to conduct bingo at the same time and premises that another licensed authorized organization is licensed to conduct bingo if the other organization has ceased, or will cease, conducting bingo at that time and premises. The application must state whether the other organization has ceased or will cease conducting bingo at that time and premises because:

(1) the organization has abandoned or will abandon its licensed time or premises; or

(2) the organization's lease has been or will be terminated.

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

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

(d) The department [~~If the commission fails to act within the time provided by Subsection (b) or (c), the licensed authorized organization may act as if the change in premises or bingo occasions has been approved by the commission and may conduct bingo at the new premises or during the new bingo occasion until the commission acts on the application.~~

~~[(e) Notwithstanding Subsection (d), the commission] may issue temporary licenses~~

to one or more licensed authorized organizations that conduct bingo at the same location as an organization that has ceased or will cease to conduct bingo, which are in addition to the number of temporary licenses each organization is entitled to under another provision of this chapter. The department [~~commission~~] is not required to act on a joint application under Subsection (a) within the time provided by this section if the number of additional temporary licenses is sufficient to allow the other organizations at the location to conduct bingo during the licensed times of the organization that has ceased or will cease to conduct bingo.

No equivalent provision.

SECTION 1.018. Section 2001.152(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] may issue a commercial lessor license only to:

- (1) a licensed authorized organization that owns or leases a premises where bingo is or will be conducted or an association of licensed authorized organizations that jointly own or lease premises where bingo is or will be conducted and that the organization or association leases or offers for lease to one or more other authorized organizations for the conduct of bingo;
- (2) a person who leases premises to a single licensed authorized organization that subleases or will sublease the premises to one or more other licensed authorized organizations for the conduct of bingo; or
- (3) a person who leases premises for the total control and exclusive use of only one licensed authorized organization as that organization's primary business office.

No equivalent provision.

SECTION 1.019. Section 2001.153(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] may not issue a commercial lessor license to a person unless the department [~~commission~~] receives evidence the department [~~commission~~] considers adequate that funds used by the person seeking the license to obtain the premises, provide the premises with furniture, fixtures, or equipment, renovate the premises, or provide utilities to

the premises are:

- (1) the person's own funds; or
- (2) the funds of another person, including loan proceeds, that:
  - (A) were obtained in an arms-length transaction that was commercially reasonable under the circumstances; and
  - (B) were not obtained under an expectation or obligation that the person from whom the funds were obtained would directly participate in, or have a legal interest in, rents obtained under the license or revenues or profits from the conduct of bingo on the premises.

No equivalent provision.

SECTION 1.020. Section 2001.154(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] may not issue a commercial lessor license to or renew a commercial lessor license of:

- (1) a person convicted of criminal fraud or a gambling or gambling-related offense;
- (2) a public officer who receives any consideration, direct or indirect, as owner or lessor of premises offered for conducting bingo;
- (3) a person who extends credit to, loans money to, or pays or provides for the payment of license fees for an authorized organization;
- (4) a distributor or manufacturer; or
- (5) a person in which a person covered by Subdivision (1), (2), (3), or (4) or a person married or related in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to one of those persons has greater than a 10 percent proprietary, equitable, or credit interest or in which one of those persons is active or employed[; ~~[(6) a foreign corporation or other foreign legal entity;~~  
~~[(7) an individual who is not a resident of this state;~~  
~~[(8) a corporation or other legal entity owned or controlled by:~~  
~~[(A) a foreign corporation; or~~  
~~[(B) an individual who is not a resident of this state; or~~  
~~[(9) a corporation or other legal entity:~~  
~~[(A) whose shares are publicly traded; or~~  
~~[(B) owned or controlled by a corporation whose shares are publicly traded].~~

No equivalent provision.

SECTION 1.021. Section 2001.156(a), Occupations Code, is amended to read as follows:

(a) An applicant for a commercial lessor license must file with the department [~~commission~~] a written verified application on a form prescribed by the department [~~commission~~].

No equivalent provision.

SECTION 1.022. Section 2001.158(a), Occupations Code, is amended to read as follows:

(a) The commission by rule shall set the fees for a commercial lessor license in an amount reasonable to defray the department's administrative costs but not less than the following:

(1) Class A (annual gross rentals from licensed organizations of not more than \$30,000)-\$300 [~~\$12,000~~]-\$100;

(2) Class B (annual gross rentals from licensed organizations of more than \$30,000 [~~\$12,000~~] but not more than \$60,000)-\$900 [~~\$20,000~~]-\$200;

(3) Class C (annual gross rentals from licensed organizations of more than \$60,000 [~~\$20,000~~] but not more than \$90,000)-\$2,000 [~~\$30,000~~]-\$300; and

(4) Class D (annual gross rentals from licensed organizations of more than [~~\$30,000 but not more than \$40,000~~]-\$400;

~~[(5) Class E (annual gross rentals from licensed organizations of more than \$40,000 but not more than \$50,000)-\$600;~~

~~[(6) Class F (annual gross rentals from licensed organizations of more than \$50,000 but not more than \$60,000)-\$900;~~

~~[(7) Class G (annual gross rentals from licensed organizations of more than \$60,000 but not more than \$70,000)-\$1,200;~~

~~[(8) Class H (annual gross rentals from licensed organizations of more than \$70,000 but not more than \$80,000)-\$1,500;~~

~~[(9) Class I (annual gross rentals from licensed organizations of more than \$80,000 but not more than \$90,000)-\$2,000; and~~

~~[(10) Class J (annual gross rentals from licensed organizations of more than \$90,000)-\$2,500.~~

No equivalent provision.

SECTION 1.023. Sections 2001.159(a) and

(b), Occupations Code, are amended to read as follows:

(a) The department [~~commission~~] shall issue or renew a commercial lessor license if the department [~~commission~~] determines that:

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

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

(3) the rent to be charged is fair and reasonable;

(4) there is no diversion of the funds of the proposed lessee from the lawful purposes under this chapter;

(5) the person whose signature or name appears in the application is in all respects the real party in interest and is not an undisclosed agent or trustee for the real party in interest; and

(6) the applicant will lease the premises for the conduct of bingo in accordance with this chapter.

(b) The department [~~commission~~] shall issue a commercial lessor license under this section for the period specified in the license application or for a shorter period as the department [~~commission~~] determines.

No equivalent provision.

SECTION 1.024. Sections 2001.160(a), (e), (f), and (g), Occupations Code, are amended to read as follows:

(a) On approval by the department [~~commission~~], a licensed commercial lessor may transfer a commercial lessor license if the person to whom the license will be transferred otherwise meets the requirements of this subchapter.

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

(f) On the showing by the department [~~commission~~] of a cause that would be sufficient for the department [~~commission~~] to revoke or suspend a license under this chapter or an applicable commission rule, a district court in Travis County [~~the county~~] for which a commercial lessor license was

~~issued or the commission~~] by order may temporarily or permanently enjoin the conduct of bingo at premises under a license to which Subsection (d) applies.

(g) The estate or guardian of an individual to whom Subsection (d) applies shall notify the department ~~[commission]~~ not later than one year after the date the individual dies or is determined to be incapacitated by a court of this state. The estate or guardian and the heirs or other appropriate person shall promptly take all necessary steps to complete a transfer of the license to the heirs or other appropriate person.

No equivalent provision.

SECTION 1.025. Section 2001.161(c), Occupations Code, is amended to read as follows:

(c) The department ~~[commission]~~ may issue a commercial lessor license to a licensed authorized organization only for the same premises where the organization is licensed to conduct bingo.

No equivalent provision.

SECTION 1.026. Section 2001.201, Occupations Code, is amended to read as follows:

Sec. 2001.201. MANUFACTURER'S LICENSE REQUIRED. A manufacturer may not sell or supply or offer to sell or supply to a person in this state or for use in this state bingo cards, boards, sheets, pads, or other supplies, or equipment designed to be used in playing bingo, or engage in any intrastate activity involving those items, unless the manufacturer holds a manufacturer's license under this subchapter.

No equivalent provision.

SECTION 1.027. Section 2001.203, Occupations Code, is amended to read as follows:

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

(b) The application must include:

(1) the name and address of the applicant and the name and address of each of its locations where bingo supplies or equipment

are manufactured;

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

(3) if the applicant:

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

(B) is a corporation, the name and home address of each officer and director and each person owning more than 10 percent of a class of stock in the corporation;

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

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

(6) information regarding whether the applicant or a person required to be named in the application has been convicted in this state or another state of criminal fraud or a gambling or gambling-related offense;

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

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

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

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

- (11) the names and addresses of each manufacturer, supplier, or distributor of bingo equipment or supplies in which the applicant or a person required to be named in the application is an owner, officer, shareholder, director, agent, or employee; and
- (12) any other information the department [~~commission~~] requests.

No equivalent provision.

SECTION 1.028. Section 2001.204, Occupations Code, is amended to read as follows:

Sec. 2001.204. MANUFACTURER'S LICENSE BOND. (a) An applicant for a manufacturer's license must give the department [~~commission~~] a cash bond or a bond in the amount of \$10,000 issued by a surety company chartered or authorized to do business in this state.

(b) The bond must provide for forfeiture to the department [~~state~~] on the manufacturer's failure to comply with this chapter or a commission rule or on suspension or revocation of the manufacturer's license.

No equivalent provision.

SECTION 1.029. Section 2001.205(b), Occupations Code, is amended to read as follows:

(b) In addition to the annual license fee, the department [~~commission~~] may require an additional fee in an amount necessary to defray the cost of a background investigation, including the inspection of manufacturing plants and locations. The commission by rule may establish the conditions and procedure for payment of the additional fee.

No equivalent provision.

SECTION 1.030. Section 2001.208, Occupations Code, is amended to read as follows:

Sec. 2001.208. DISTRIBUTOR'S LICENSE APPLICATION. (a) An applicant for a distributor's license must file with the department [~~commission~~] an executed verified application on a form prescribed by the department [~~commission~~].

- (b) The application must include:
- (1) the full name and address of the applicant;
  - (2) the name and address of each location

operated by the distributor from which bingo supplies or equipment are distributed or at which bingo supplies or equipment are stored;

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

(4) if a corporate distributor, the name and home address of each officer or director and of each person owning more than 10 percent of a class of stock in the corporation;

(5) if a foreign corporation or other foreign legal entity, the name, business name and address, and address of its registered agent for service in this state;

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

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

(8) information regarding whether the applicant or a person required to be named in the application has been convicted in this state or another state of criminal fraud or a gambling or gambling-related offense;

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

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

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

(12) information regarding whether the

applicant or a person required to be named in the application is or has been a professional gambler or gambling promoter; (13) the name and address of each manufacturer, supplier, or distributor of bingo equipment or supplies in which the applicant or a person required to be named in the application is an owner, officer, shareholder, director, agent, or employee; and (14) any other information the department [~~commission~~] requests.

No equivalent provision.

SECTION 1.031. Section 2001.209(b), Occupations Code, is amended to read as follows:

(b) In addition to the annual license fee, the department [~~commission~~] may require an additional fee in an amount necessary to defray the cost of a background investigation of the applicant, including the inspection of storage, distribution, or operating locations. The commission by rule may establish the conditions and procedure for payment of the additional fee.

No equivalent provision.

SECTION 1.032. Section 2001.211(a), Occupations Code, is amended to read as follows:

(a) An applicant for a manufacturer's or distributor's license shall, during pendency of the application, notify the department [~~commission~~] immediately of any change relating to a fact stated in the application.

No equivalent provision.

SECTION 1.033. Section 2001.212, Occupations Code, is amended to read as follows:

Sec. 2001.212. DENIAL OF LICENSE. The executive director or commission may deny an application for or renewal of a license for a cause that would permit or require the suspension or revocation of the license.

No equivalent provision.

SECTION 1.034. Section 2001.214(a), Occupations Code, is amended to read as follows:

(a) A [~~Except as provided by Subsection (b), a~~] manufacturer's or distributor's license is effective for one year unless revoked or

suspended by the department [~~commission~~].

No equivalent provision.

SECTION 1.035. Section 2001.216, Occupations Code, is amended to read as follows:

Sec. 2001.216. EXAMINATION OF RECORDS. (a) The department [~~commission~~] may examine the books and records of the holder of or an applicant for a manufacturer's or distributor's license.

(b) The department [~~commission~~] may not disclose information obtained during the examination except as necessary to carry out this chapter.

No equivalent provision.

SECTION 1.036. Section 2001.217, Occupations Code, is amended to read as follows:

Sec. 2001.217. OFFENSE. (a) A person who does not hold a manufacturer's or distributor's license commits an offense if the person sells, offers to sell, or attempts to induce the sale of bingo equipment or supplies to a licensed authorized organization.

(b) A first offense under this section is a state jail felony. A subsequent offense under this section is a felony of the third degree.

No equivalent provision.

SECTION 1.037. Sections 2001.218(b) and (c), Occupations Code, are amended to read as follows:

(b) If a payment is not made when due, the seller shall immediately notify the department [~~commission~~]. The department [~~commission~~] shall notify all manufacturers and distributors licensed in this state of the default.

(c) In the event of a default, a person may not sell or transfer bingo equipment or supplies to the purchaser in default on terms other than immediate payment on delivery until otherwise authorized by the department [~~commission~~].

No equivalent provision.

SECTION 1.038. The heading to Subchapter G, Chapter 2001, Occupations Code, is amended to read as follows:

SUBCHAPTER G. GENERAL PROVISIONS RELATING TO

No equivalent provision.

SECTION 1.039. Section 2001.301, Occupations Code, is amended to read as follows:

Sec. 2001.301. LICENSE INVESTIGATION. Promptly after the filing of the application for a license under this chapter, the department [~~commission~~] shall investigate the qualifications of each applicant and the merits of the application.

No equivalent provision.

SECTION 1.040. Section 2001.302, Occupations Code, is amended to read as follows:

Sec. 2001.302. PROVISION OF SUPPLEMENTAL INFORMATION. (a) In addition to any required application form, a license applicant or license holder shall submit any supplemental information requested by the department [~~commission~~].

(b) The executive director or commission may deny or refuse to renew a license application or revoke a license based on a failure to submit requested supplemental information when required.

No equivalent provision.

SECTION 1.041. Section 2001.3025, Occupations Code, is amended to read as follows:

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

- (1) an applicant for or holder of a license issued under this chapter;
- (2) a person required to be named in a license application; or
- (3) an employee or other person who works or will work for a license holder and who is required by another provision of this chapter to undergo a criminal background check.

No equivalent provision.

SECTION 1.042. Sections 2001.306(a), (a-

1), and (d), Occupations Code, are amended to read as follows:

(a) A license issued under this chapter may be amended on application to the department [~~commission~~] and on payment of a fee in the amount required by the department [~~commission~~] if the subject matter of the proposed amendment could properly have been included in the original license.

(a-1) The commission by rule shall establish an amendment fee schedule. The amount of a fee charged by the department [~~commission~~] may vary based on the complexity of the proposed license amendment.

(d) The holder of a license to conduct bingo shall notify the department [~~commission~~] before changing the time or date of a game. The license holder may provide notice to the department [~~commission~~] regarding the change by use of telephone or other means acceptable to the department [~~facsimile~~].

SECTION 1.05. Section 2001.307, Occupations Code, is amended to read as follows:

Sec. 2001.307. MAXIMUM LICENSE TERM. A [~~Except as otherwise provided by this chapter, a~~] license issued under this chapter may not be effective for more than two years [~~one year~~].

SECTION 1.043. Section 2001.307, Occupations Code, is amended to read as follows:

Sec. 2001.307. MAXIMUM LICENSE TERM. A [~~Except as otherwise provided by this chapter, a~~] license issued under this chapter may not be effective for more than one year.

SECTION 1.06. Section 2001.313, Occupations Code, is amended by amending Subsections (a) and (b-2) and adding Subsections (j) and (k) to read as follows:

(a) To minimize duplicate criminal history background checks by the commission and the costs incurred by organizations and individuals, the commission shall maintain a registry of individuals on whom the commission has conducted a criminal history background check, or another person authorized under Subsection (j) has conducted a criminal history background check and has submitted the background check to the commission, and who are approved to be involved in the conduct of bingo or to act as a bingo operator.

(b-2) The commission by rule may impose a fee for an initial registration application and renewal application submitted under

No equivalent provision.

this section and on an individual for whom the commission conducts a criminal history background check. The commission shall set the fees [fee] in amounts [an amount] sufficient to cover the application processing costs, including the [a] criminal history background check, identification card, and other administrative costs the commission considers appropriate.

(j) A person other than an individual whose name is included on an initial or renewal license application under this chapter may obtain a criminal history background check to submit under this section from:

(1) the Department of Public Safety, including through the use of the department's online criminal history background check service;

(2) a local law enforcement agency, including through the use of the agency's online criminal history background check service; or

(3) the commission.

(k) A criminal history background check for an individual whose name is included on an initial or renewal license application under this chapter must be performed by the commission.

SECTION 1.07. Section 2001.314(b), Occupations Code, is amended to read as follows:

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

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 1.044. Section 2001.311, Occupations Code, is amended to read as follows:

Sec. 2001.311. RIGHTS NOT VESTED. The issuance of a license [or temporary authorization] by the department [commission] does not grant a vested right in the license ~~[, the temporary authorization,]~~ or the privileges conferred.

SECTION 1.045. Sections 2001.315(a) and (b), Occupations Code, are amended to read as follows:

(a) A person who fails to renew the person's license under this chapter before the date the license expires may renew the license after the expiration date by:

(1) filing a license renewal application with the department [~~commission~~] not later than the 14th day after the date the license expires, paying the applicable annual license fee, and paying a late license renewal fee equal to 10 percent of the annual license fee; or

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

(b) A person who files a renewal application with the department [~~commission~~] under Subsection (a) may continue to perform the bingo activities authorized under the license as if the license has not expired until the license is renewed or renewal of the license is denied.

No equivalent provision.

SECTION 1.046. Section 2001.316, Occupations Code, is amended to read as follows:

Sec. 2001.316. DELIVERY OF DEPARTMENT [~~COMMISSION~~] NOTICE. If notice under this chapter is required to be given to an authorized organization, the department [~~commission~~] shall send the notice to the bingo chairperson of the authorized organization and to the appropriate commercial lessor, if applicable.

No equivalent provision.

SECTION 1.047. The heading to Section 2001.353, Occupations Code, is amended to read as follows:

Sec. 2001.353. DISCIPLINE OF LICENSE [~~AND REGISTRATION~~] HOLDERS.

No equivalent provision.

SECTION 1.048. Sections 2001.353(a), (b), and (c), Occupations Code, are amended to read as follows:

(a) After a hearing, the executive director or

commission may suspend, revoke, or refuse to renew a license [~~or registration~~] issued under this chapter for:

(1) failure to comply with this chapter or a commission rule; or

(2) a reason that would allow or require the executive director or commission to refuse to issue or renew a license [~~or registration~~] of the same class.

(b) The executive director or commission may place on probation a person whose license [~~or registration~~] is suspended. If a license [~~or registration~~] suspension is probated, the executive director or commission may require the person:

(1) to report regularly to the department [~~commission~~] on the matters that are the basis of the probation;

(2) to limit the person's activities under the license [~~or registration~~] in the manner prescribed by the executive director or commission; or

(3) to take any other reasonable action prescribed by the executive director or commission to address the matters that are the basis of the probation.

(c) If the person fails to comply with the conditions of probation, the executive director or commission may suspend or revoke the person's license [~~or registration~~].

No equivalent provision.

SECTION 1.049. Section 2001.403(b), Occupations Code, is amended to read as follows:

(b) This section does not apply if more than one premises lawfully exists under a common roof or over a common foundation under a license application filed with the Texas Lottery Commission [~~commission~~] on or before May 23, 1997. The department [~~commission~~] shall renew a license at the premises that is otherwise in compliance with this chapter.

No equivalent provision.

SECTION 1.050. Section 2001.407(f), Occupations Code, is amended to read as follows:

(f) With the prior written consent of the department [~~commission~~], a licensed authorized organization may make an occasional sale of bingo cards or of a used bingo flash board or blower to another licensed authorized organization.

SECTION 1.08. Section 2001.409, Occupations Code, is amended.

No equivalent provision.

SECTION 1.09. Section 2001.414, Occupations Code, is amended.

No equivalent provision.

SECTION 1.10. Section 2001.420, Occupations Code, is amended.

No equivalent provision.

SECTION 1.051. Same as introduced version.

SECTION 1.052. Section 2001.411(e), Occupations Code, is amended to read as follows:

(e) The department [~~commission~~] may not prohibit an operator responsible for conducting, promoting, or administering bingo from acting as a bingo caller for a licensed authorized organization during a bingo occasion. This subsection does not relieve the operator of the duty to be available to a department [~~commission~~] employee or bingo player if required by this chapter.

SECTION 1.053. Same as introduced version.

SECTION 1.054. Section 2001.415, Occupations Code, is amended to read as follows:

Sec. 2001.415. ADVERTISEMENTS. (a) A person other than a licensed authorized organization or a [~~;~~] licensed commercial lessor [~~;~~ ~~or the commission~~] may not advertise bingo.

(b) A licensed authorized organization or [~~;~~] licensed commercial lessor [~~;~~ ~~or the commission~~] may include in an advertisement or promotion the amount of a prize or series of prizes offered at a bingo occasion.

SECTION 1.055. Same as introduced version.

SECTION 1.056. Sections 2001.437(a), (b), and (d), Occupations Code, are amended to read as follows:

(a) If the unit accounting agreement of a unit states that a unit manager is responsible for compliance with commission rules and this chapter, the unit manager is responsible for:

(1) the filing of one quarterly report for the unit on a form prescribed by the executive director [~~commission~~]; and

(2) the payment of taxes and fees and the maintenance of the bingo inventory and financial records of the unit.

(b) A unit with a unit manager shall notify the department [~~commission~~] of the name of the unit manager and immediately notify the department [~~commission~~] of any change of unit manager.

(d) An applicant for a unit manager license must file with the department [~~commission~~] a written application on a form prescribed by the executive director [~~commission~~] that includes:

- (1) the name and address of the applicant;
- (2) information regarding whether the applicant, or any officer, director, or employee of the applicant, has been convicted of criminal fraud or a gambling or gambling-related offense; and
- (3) any other information required by commission rule.

No equivalent provision.

SECTION 1.057. Sections 2001.438(b) and (d), Occupations Code, are amended to read as follows:

(b) The unit shall designate with the department [~~commission~~] an agent who will be responsible for providing the department [~~commission~~] access to all inventory and financial records of the unit on request of the department [~~commission~~].

(d) The unit shall immediately notify the department [~~commission~~] of any change in the agent designated under Subsection (b).

No equivalent provision.

SECTION 1.058. Section 2001.439(c), Occupations Code, is amended to read as follows:

(c) The department [~~commission~~] may prohibit a person who serves as a designated agent that is listed on a license under this chapter, including having been approved by the department [~~commission~~] to work in the bingo operations of a licensed authorized organization or as an operator, from holding or being listed on any license or from being approved to work in the bingo operations of any licensed authorized organization or to serve as an operator if the person has failed to comply with the duties required of the person as a unit manager or designated agent.

SECTION 1.11. Sections 2001.451(d), (e), and (g), Occupations Code, are amended to read as follows:

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

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

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

(1) result in net proceeds in the amounts provided by Section 2001.460 over the calendar year in which the license is in effect [~~the organization's license period~~]; or

(2) if the organization has a two-year license, result in net proceeds in the amounts provided by Section 2001.460 over each calendar year in which [~~12-month period that ends on an anniversary of the date~~] the two-year license is in effect [~~was issued~~].

SECTION 1.059. Sections 2001.451(b), (c), (d), (e), (g), (i), (j), and (k), Occupations Code, are amended to read as follows:

(b) Except as provided by Section 2001.502(a), a [A] licensed authorized organization shall deposit in the bingo account all funds derived from the conduct of bingo, less the amount awarded as cash prizes under Sections 2001.420(a) and (b). A [~~Except as provided by Subsection (b-1), a~~] deposit must be made not later than the second business day after the day of the bingo occasion on which the receipts were obtained.

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

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

(2) the organization notifies the department [~~commission~~] of the transfer not later than the 14th day after the date of the transfer.

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

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

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

[~~1~~] result in net proceeds in the amounts provided by Section 2001.460 over the calendar year in which the license is in effect [~~the organization's license period~~; or

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

(i) Prize taxes [~~fees~~] held in escrow for remittance as provided by this chapter [~~to the commission~~] are not included in the calculation of operating capital under Subsection (h).

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

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

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

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

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

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

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

No equivalent provision.

SECTION 1.060. Section 2001.457(b), Occupations Code, is amended to read as follows:

(b) If a licensed authorized organization fails to meet the requirements of Subsection (a) for a quarter, the department [~~commission~~] in applying appropriate sanctions shall consider whether, taking into account the amount required to be disbursed during that quarter and the three preceding quarters, the organization has disbursed a total amount sufficient to have met the disbursement requirement for that quarter and the three preceding quarters combined.

SECTION 1.12. Subchapter J, Chapter 2001, Occupations Code, is amended by adding Section 2001.460 to read as follows:

Sec. 2001.460. REQUIRED MINIMUM NET PROCEEDS. (a) If the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises exceeds \$500,000 in a calendar year, the combined net proceeds of those organizations for that calendar year may not be less than 10 percent of the combined gross gaming revenue of those organizations.

(a-1) Notwithstanding Subsection (a), if the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises exceeds \$500,000 in a calendar year, the combined net proceeds of those organizations may not be:

(1) in 2016, less than six percent of the combined gross gaming revenue of those organizations; and

(2) in 2017, less than eight percent of the combined gross gaming revenue of those organizations.

(b) If the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises is equal to \$500,000 or less in a calendar year, the combined net proceeds of those organizations for that calendar year may not be less than five percent of the combined gross gaming revenue of those organizations.

(b-1) Notwithstanding Subsection (b) and subject to Subsection (c), if the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises is equal to \$500,000 or less in a calendar year, the combined net proceeds of those organizations for that calendar year may not be:

(1) in 2016, less than three percent of the combined gross gaming revenue of those organizations; and

(2) in 2017, less than four percent of the combined gross gaming revenue of those organizations.

(c) A licensed authorized organization located at a bingo premises described by Subsection (b) that conducts not more than two bingo occasions during any week during a calendar year is exempt from the requirements of Subsection (b). The commission by rule may impose minimum

SECTION 1.061. Subchapter J, Chapter 2001, Occupations Code, is amended by adding Section 2001.460 to read as follows:

Sec. 2001.460. REQUIRED MINIMUM NET PROCEEDS. (a) If the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises exceeds \$500,000 in a calendar year, the combined net proceeds of those organizations for that calendar year may not be less than 10 percent of the combined gross gaming revenue of those organizations.

(a-1) Notwithstanding Subsection (a), if the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises exceeds \$500,000 in a calendar year, the combined net proceeds of those organizations may not be:

(1) in 2016, less than six percent of the combined gross gaming revenue of those organizations; and

(2) in 2017, less than eight percent of the combined gross gaming revenue of those organizations.

(b) If the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises is equal to \$500,000 or less in a calendar year, the combined net proceeds of those organizations for that calendar year may not be less than five percent of the combined gross gaming revenue of those organizations.

(b-1) Notwithstanding Subsection (b) and subject to Subsection (c), if the combined gross gaming revenue of the licensed authorized organizations located at a single bingo premises is equal to \$500,000 or less in a calendar year, the combined net proceeds of those organizations for that calendar year may not be:

(1) in 2016, less than three percent of the combined gross gaming revenue of those organizations; and

(2) in 2017, less than four percent of the combined gross gaming revenue of those organizations.

(c) A licensed authorized organization located at a bingo premises described by Subsection (b) that conducts not more than two bingo occasions during any week during a calendar year is exempt from the requirements of Subsection (b). The commission by rule may impose minimum

net proceeds requirements in amounts less than the amounts required under Subsection (b) on the organizations located at a premises to which this subsection applies.

(c-1) This subsection applies only to a bingo premises that on January 1, 2015, was operated under an active lessor license and was located in a county any part of which is within 75 miles of a casino that has electronic gaming. Notwithstanding any other subsection of this section, the minimum net proceeds requirement for a single bingo premises described by this subsection during a calendar year is:

(1) for a single bingo premises at which the licensed authorized organizations have a combined gross gaming revenue that exceeds \$500,000, the lesser of:

(A) the amount determined using the percentage required by this section; or

(B) \$12,000 multiplied by the number of licensed authorized organizations conducting bingo at that premises; and

(2) for a single bingo premises at which the licensed authorized organizations have a combined gross gaming revenue equal to \$500,000 or less, the lesser of:

(A) the amount determined using the percentage required by this section; or

(B) \$6,000 multiplied by the number of licensed authorized organizations conducting bingo at that premises.

(c-2) This subsection and Subsections (a-1), (b-1), and (c-1) expire December 31, 2019.

(d) The commission shall waive or reduce the minimum net proceeds required by this section if:

(1) bingo has been conducted at the bingo premises for less than 12 months;

(2) circumstances beyond the control of the licensed authorized organizations operating at the bingo premises, including force majeure, prevented the organizations from satisfying the minimum net proceeds percentage;

(3) the licensed authorized organizations present a business plan that the commission determines reasonably establishes procedures to satisfy the minimum net proceeds percentage in the next calendar year; or

(4) legal or illegal gaming in the area of the bingo premises affected the ability of the organizations to satisfy the minimum net proceeds percentage.

net proceeds requirements in amounts less than the amounts required under Subsection (b) on the organizations located at a premises to which this subsection applies.

(c-1) This subsection applies only to a bingo premises that on January 1, 2015, was operated under an active lessor license and was located in a county any part of which is within 75 miles of a casino that has electronic gaming. Notwithstanding any other subsection of this section, the minimum net proceeds requirement for a single bingo premises described by this subsection during a calendar year is:

(1) for a single bingo premises at which the licensed authorized organizations have a combined gross gaming revenue that exceeds \$500,000, the lesser of:

(A) the amount determined using the percentage required by this section; or

(B) \$12,000 multiplied by the number of licensed authorized organizations conducting bingo at that premises; and

(2) for a single bingo premises at which the licensed authorized organizations have a combined gross gaming revenue equal to \$500,000 or less, the lesser of:

(A) the amount determined using the percentage required by this section; or

(B) \$6,000 multiplied by the number of licensed authorized organizations conducting bingo at that premises.

(c-2) This subsection and Subsections (a-1), (b-1), and (c-1) expire December 31, 2019.

(d) The department shall waive or reduce the minimum net proceeds required by this section if:

(1) bingo has been conducted at the bingo premises for less than 12 months;

(2) circumstances beyond the control of the licensed authorized organizations operating at the bingo premises, including force majeure, prevented the organizations from satisfying the minimum net proceeds percentage;

(3) the licensed authorized organizations present a business plan that the department determines reasonably establishes procedures to satisfy the minimum net proceeds percentage in the next calendar year; or

(4) based on an annual department survey of one or more bingo markets, the department determines that legal or illegal gaming in the area of the bingo premises

(e) If the commission waives or reduces the minimum net proceeds percentage required by this section because of illegal gaming, the commission shall notify the county commissioners court of the county in which each affected bingo premises is located and the governing body of any municipality in which the premises is located of the commission's action and the reasons for that action.

No equivalent provision.

SECTION 1.13. Section 2001.502, Occupations Code, is amended to read as follows:

Sec. 2001.502. PRIZE FEE. (a) A licensed authorized organization shall:

(1) collect from a person who wins a cash bingo prize of more than \$5 a fee in the amount of five percent of the amount [~~or value~~] of the prize; [~~and~~]

(2) remit to the comptroller [~~commission~~] a fee in the amount of 2.5 [~~five~~] percent of the amount collected under this section for distribution as required by Section 2001.503; and

affected the ability of the organizations conducting bingo at that bingo premises to satisfy the minimum net proceeds percentage.

(e) If the department waives or reduces the minimum net proceeds percentage required by this section because of illegal gaming, the department shall notify the county commissioners court of the county in which each affected bingo premises is located and the governing body of any municipality in which the premises is located of the department's action and the reasons for that action.

SECTION 1.062. The heading to Subchapter K, Chapter 2001, Occupations Code, is amended to read as follows:  
SUBCHAPTER K. TAXES [~~AND PRIZE FEES~~]

SECTION 1.063. Section 2001.502, Occupations Code, is amended to read as follows:

Sec. 2001.502. PRIZE TAX [~~FEE~~]. (a) A licensed authorized organization shall:

[~~(1)~~] collect from a person who wins a cash bingo prize of more than \$5 a tax [~~fee~~] in the amount of five percent of the amount [~~or value~~] of the prize. Each quarter, the licensed authorized organization shall:

(1) if a county or municipality in which the bingo game is conducted voted to impose the prize tax before November 1, 2015; [~~and~~]

(A) [~~(2)~~] remit a tax [~~to the commission a fee~~] in the amount of 50 [~~five~~] percent of the amount collected as the prize tax under this subsection to:

(i) the county in which the bingo game is conducted, if the county voted to impose the tax by that date and the location at which bingo is conducted is not within the limits of a municipality;

(ii) the municipality in which the bingo game is conducted, if the municipality voted to impose the tax by that date and the county in which the bingo game is conducted did not vote to impose the tax by that date; or

(iii) in equal shares, the county and the municipality in which the bingo game is conducted, if the county and municipality each voted to impose the tax before that

(3) deposit the remainder of the fees collected under this section in the general charitable fund of the organization [or value of all bingo prizes awarded].

(b) The fee required under Subsection (a) does not apply to a merchandise prize, including bingo cards, bingo pull-tabs, use of a card-minder, bingo daubers, and other bingo merchandise awarded as a prize for winning a bingo game.

SECTION 1.14. Section 2001.503, Occupations Code, is amended to read as follows:

Sec. 2001.503. ~~[LOCAL SHARE OF PRIZE FEE DISTRIBUTION.~~ (a) Except as provided by Subsection (c), a county that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to ~~[50 percent of]~~ the fee remitted to the comptroller [collected] under Section 2001.502(2) ~~[2001.502 on a prize awarded at a game conducted in the county].~~

(b) Except as provided by Subsection (c), a municipality that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to ~~[50 percent of]~~ the fee remitted to the comptroller [collected] under Section 2001.502(2) ~~[2001.502 on a prize awarded at a game conducted in the municipality].~~

(c) If a county and municipality are both entitled to ~~[a share of]~~ the fee remitted to the comptroller under [imposed by] Section 2001.502(2) ~~[2001.502]:~~

(1) the county is entitled to 50 ~~[25]~~ percent of the fee ~~[on a prize awarded at a game conducted in the county];~~ and

(2) the municipality is entitled to 50 ~~[25]~~ percent of the fee ~~[on a prize awarded at a game conducted in the municipality].~~

date; and

(B) deposit the remainder of the taxes collected under this subsection in the general charitable fund of the organization; or

(2) if a county or municipality is not entitled to a percentage of the amount of taxes collected under this subsection, deposit the taxes collected in the general charitable fund of the organization [or value of all bingo prizes awarded].

(b) The governing body of a county or municipality that voted to impose a prize tax under Subsection (a) may at any time vote to discontinue the imposition of the tax.

(c) The tax required under Subsection (a) does not apply to a merchandise prize, including bingo cards, bingo pull-tabs, use of a card-minder, bingo daubers, and other bingo merchandise awarded as a prize for winning a bingo game.

No equivalent provision.

SECTION 1.15. Section 2001.505(a), Occupations Code, is amended to read as follows:

(a) A licensed authorized organization conducting bingo shall submit quarterly to the commission a report under oath stating:

(1) the amount of the ~~[gross]~~ receipts derived from the conduct of bingo;

(2) each item of expense incurred or paid;

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

(4) the net proceeds derived from bingo;

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

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

No equivalent provision.

SECTION 1.16. Section 2001.507, Occupations Code, is amended to read as follows:

Sec. 2001.507. COLLECTION AND DISBURSEMENT OF PRIZE FEE. (a)

The comptroller ~~[commission]~~ shall deposit the revenue collected from the fee on prizes imposed by Section 2001.502 to the credit of a special account in the general revenue fund.

(b) The comptroller ~~[commission]~~ shall determine the total amount of revenue deposited in the account from prizes awarded at games in a county or municipality entitled to a fee ~~[share]~~ under Section 2001.503.

(c) The comptroller ~~[commission]~~ shall send quarterly to a county or municipality entitled to ~~[a share of]~~ the fee on prizes the amount required ~~[county's or municipality's share as provided]~~ by Section 2001.503.

(d) ~~[The commission shall transfer any remaining amounts in the account to a nondedicated account in the general revenue fund.]~~

~~[(e)]~~ The comptroller ~~[commission]~~ shall transmit a jurisdiction's ~~[share of the]~~ fee on prizes to the treasurer or the officer of the jurisdiction performing the functions of the treasurer's office payable to the jurisdiction. The amount transmitted may be used by the jurisdiction for any purpose for which the general funds of the jurisdiction may be

No equivalent provision.

used.

(e) ~~(f)~~ The comptroller ~~[commission]~~ may retain in a jurisdiction's suspense account a portion of the jurisdiction's ~~[share of the]~~ fee on prizes collected under this chapter. The amount retained in the suspense account may not exceed five percent of the amount remitted to the jurisdiction. The comptroller ~~[commission]~~ may make refunds from the suspense account of a jurisdiction for overpayments made to those accounts and may redeem dishonored checks and drafts deposited to the credit of the jurisdiction's suspense account.

(f) ~~(g)~~ If a jurisdiction entitled to a ~~[share of the]~~ fee on prizes prohibits the conduct of bingo under Sections 2001.651-2001.656, the comptroller ~~[commission]~~ may retain in the suspense account of the jurisdiction for one year five percent of the final remittance to that jurisdiction. The amount retained in the suspense account may be used to cover possible overpayment of the jurisdiction's portion of the fee and to redeem dishonored checks and drafts deposited to the credit of the account. One year after the effective date of the prohibition of bingo in the jurisdiction, the comptroller ~~[commission]~~ shall remit the balance in the account to the jurisdiction and close the account.

(g) ~~(h)~~ Interest earned on all fees on prizes collected by the comptroller ~~[commission]~~ under this chapter before distribution to a local jurisdiction, including interest earned from the suspense accounts retained under this section, shall be credited to the general revenue fund.

No equivalent provision.

SECTION 1.064. The heading to Section 2001.504, Occupations Code, is amended to read as follows:

Sec. 2001.504. PAYMENT AND REPORTING OF TAX ~~[OR FEE]~~.

No equivalent provision.

SECTION 1.065. Section 2001.504(a), Occupations Code, is amended to read as follows:

(a) A tax ~~[or fee authorized or]~~ imposed under this subchapter is due and is payable by the license holder or a person conducting bingo without a license ~~[to the commission]~~ quarterly on or before the 25th day of the month succeeding each calendar quarter.

No equivalent provision.

SECTION 1.066. Section 2001.551(f), Occupations Code, is amended to read as follows:

(f) A game exempted under Subsection (b)(4) is subject to the following restrictions: (1) a person licensed or required to be licensed under this chapter or having an interest in a license under this chapter may not be involved, directly or indirectly, in bingo, except that a licensed manufacturer or licensed distributor may sell or otherwise furnish bingo equipment or supplies for use in a game;

(2) a person conducting bingo may purchase or otherwise obtain bingo equipment or supplies through a newspaper, a radio or television station, or an advertising agency and, unless otherwise authorized by the department [~~commission~~], only from a licensed manufacturer or licensed distributor;

(3) a licensed manufacturer or licensed distributor may sell or otherwise furnish bingo equipment or supplies for use in a game only to or through a newspaper or a radio or television station or through an advertising agency acting on behalf of a person authorized to conduct the game; and

(4) the commission by rule may require a person conducting or involved in conducting the game to:

(A) notify the department [~~commission~~] of: (i) the persons involved in conducting the game;

(ii) the manner in which the game is to be conducted; and

(iii) any other information required by the department [~~commission~~]; and

(B) keep records of all transactions connected with the game available for department [~~commission~~] inspection.

SECTION 1.17. Section 2001.554(a), Occupations Code, is amended.

No equivalent provision.

SECTION 1.067. Same as introduced version.

SECTION 1.068. Section 2001.555(b), Occupations Code, is amended to read as follows:

(b) The immunity granted under this section does not extend to a person:

(1) [~~knowingly~~] conducting or participating in bingo under a license obtained by a false

pretense, false statement, or material omission made in an application for license or otherwise; or

(2) [~~knowingly~~] permitting the conduct of bingo on premises owned or leased by the person under a license known to the person to have been obtained by a false pretense or statement.

No equivalent provision.

SECTION 1.069. Section 2001.557, Occupations Code, is amended to read as follows:

Sec. 2001.557. INSPECTION OF PREMISES. (a) The department [~~commission~~], its officers or agents, or a state, municipal, or county peace officer may enter and inspect the contents of premises where:

(1) bingo is being conducted or intended to be conducted; or

(2) equipment used or intended for use in bingo is found.

(b) The commission by rule shall develop and implement policies and procedures to:

(1) prioritize the inspection of premises where bingo is being conducted or is intended to be conducted in accordance with the risk factors the department [~~commission~~] considers important, including:

(A) the amount of money derived from the conduct of bingo at the premises;

(B) the compliance history of the premises; and

(C) the amount of time that has elapsed since the date of the immediately preceding department [~~commission~~] inspection of the premises; and

(2) inspect premises where bingo is being conducted or is intended to be conducted in accordance with the priorities established under Subdivision (1).

No equivalent provision.

SECTION 1.070. Sections 2001.558(a) and (d), Occupations Code, are amended to read as follows:

(a) If the department [~~commission~~], the appropriate governing body, or the attorney general has reason to believe that this chapter has been or is about to be violated, the executive director [~~commission~~], the governing body, or the attorney general may petition a court for injunctive relief to restrain the violation.

(d) If the court finds that this chapter has been [~~knowingly~~] violated, the court shall order all proceeds from the illegal bingo to be forfeited to the appropriate governing body as a civil penalty.

No equivalent provision.

SECTION 1.071. Section 2001.559, Occupations Code, is amended to read as follows:

Sec. 2001.559. **REMEDIES NOT EXCLUSIVE.** The executive director or commission may suspend or revoke a license under Section 2001.353 [~~2001.355~~], impose an administrative penalty under Subchapter M, or both, depending on the severity of the violation.

No equivalent provision.

SECTION 1.072. Sections 2001.560(c), (c-1), (c-2), (d), and (e), Occupations Code, are amended to read as follows:

(c) The department [~~commission~~] or a person authorized in writing by the department [~~commission~~] may examine the books, papers, records, equipment, and place of business of a license holder and may investigate the character of the license holder's business to verify the accuracy of a return, statement, or report made, or, if no return is made by the license holder, to ascertain and determine the amount required to be paid.

(c-1) The commission by rule shall develop a policy for auditing license holders. The department [~~bingo division~~] shall use audit risk analysis procedures established by the department [~~commission~~] to:

(1) annually identify which license holders are most at risk of violating this chapter or rules adopted under this chapter; and

(2) develop a plan for auditing the identified license holders that includes:

(A) a schedule for the audits of the identified license holders;

(B) procedures to annually update the plan based on successive risk analyses; and

(C) a completion date for each audit that is not later than the fifth anniversary of the date the license holder was identified as a candidate for audit.

(c-2) The department [~~bingo division~~] shall provide to the commission a copy of the auditing plan developed under Subsection (c-1).

(d) The commission may set and the department may charge to the license holder a fee in an amount reasonably necessary to recover the cost of an authorized investigation or audit authorized under this chapter.

(e) If the department [~~commission~~] determines that a person is not complying with this chapter, the department [~~commission~~] shall notify the attorney general and the governing body of the appropriate political subdivision.

No equivalent provision.

SECTION 1.073. Section 2001.601, Occupations Code, is amended to read as follows:

Sec. 2001.601. IMPOSITION OF PENALTY. The executive director or commission may impose an administrative penalty against a person who violates this chapter or a rule or order adopted by the executive director or commission under this chapter.

No equivalent provision.

SECTION 1.074. Section 2001.654(a), Occupations Code, is amended to read as follows:

(a) If the officer responsible for certifying a petition determines that a petition is valid, the governing body shall:

(1) order that an election be held in the appropriate political subdivision on a date not later than the 60th day after the date of the officer's certification; and

(2) notify the department [~~commission~~] by certified mail, return receipt requested, that an election has been ordered.

No equivalent provision.

SECTION 1.075. Section 2001.656(d), Occupations Code, is amended to read as follows:

(d) The governing body of a political subdivision in which a bingo election has been held shall not later than the 14th day after the date of the election give written notification to the department [~~commission~~] of the results of the election. If as a result of the election bingo is legalized in the political subdivision, the governing body shall furnish the department [~~commission~~] with a map prepared by the governing body indicating the boundaries of the political

subdivision in which bingo may be conducted.

No equivalent provision.

SECTION 1.076. Section 404.073(c), Government Code, is amended to read as follows:

(c) Interest that has been and that will be accrued or earned from deposits made under a law to which this subsection applies is state funds not subject to allocation or distribution to taxing units, cities, or transportation authorities under that law. This subsection applies to:

(1) Section 205.02, Alcoholic Beverage Code;

(2) ~~[Section 2001.507, Occupations Code;~~

~~[(3)]~~ Section 403.105(d) of this code;

~~(3)~~ ~~[(4)]~~ Sections 321.501 and 321.504, Tax Code;

~~(4)~~ ~~[(5)]~~ Sections 322.301 and 322.304, Tax Code; and

~~(5)~~ ~~[(6)]~~ Sections 323.501 and 323.504, Tax Code.

No equivalent provision.

SECTION 1.077. Section 467.002, Government Code, is amended to read as follows:

Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter and ~~;~~ Chapter 466 ~~[of this code, and Chapter 2001, Occupations Code,]~~ expire September 1, 2025.

No equivalent provision.

SECTION 1.078. Sections 467.024(a) and (c), Government Code, are amended to read as follows:

(a) An individual is not eligible to be an appointed member of the commission if the individual:

(1) is registered, certified, or licensed by a regulatory agency in the field of ~~[bingo or]~~ lottery;

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization regulated by the commission or receiving funds from the commission;

(3) is employed by or participates in the management of a business entity or other

organization regulated by or receiving funds from the commission;

(4) uses or receives a substantial amount of tangible goods, services, or funds from the commission, other than compensation or reimbursement authorized by law for commission membership, attendance, or expenses;

(5) is an officer, employee, or paid consultant of a Texas trade association in the field of ~~[bingo or]~~ lottery;

(6) is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the commission;

(7) is married to an individual described by Subdivisions (2)-(6);

(8) has been convicted of a felony or of any crime involving moral turpitude; or

(9) is not a citizen of the United States.

(c) A person may not be a commission employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of ~~[bingo or]~~ lottery; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of ~~[bingo or]~~ lottery.

No equivalent provision.

SECTION 1.079. Section 467.025(a), Government Code, is amended to read as follows:

(a) A commission member may not:

(1) accept any employment or remuneration from[=

~~(A)]~~ a person that has a significant financial interest in the lottery[=or

~~(B) — a bingo commercial lessor, bingo distributor, or bingo manufacturer];~~

(2) play any lottery ~~[or bingo]~~ game conducted in this state;

(3) accept or be entitled to accept any part of the winnings to be paid from a lottery ~~[or bingo]~~ game conducted in this state;

(4) use the member's official authority to affect the result of an election or nomination for public office; or

(5) directly or indirectly coerce, attempt to coerce, command, or advise a person to pay, lend, or contribute anything of value to another person for political purposes.

No equivalent provision.

SECTION 1.080. Section 467.033, Government Code, is amended to read as follows:

Sec. 467.033. DIRECTOR OF LOTTERY OPERATIONS [~~DIVISION DIRECTORS~~]. The executive director shall employ a director of lottery operations who [~~to oversee each division. A division director~~] serves at the will of the executive director and is specifically exempted from Chapter 654.

No equivalent provision.

SECTION 1.081. Section 467.035(a), Government Code, is amended to read as follows:

(a) The commission may not employ or continue to employ a person who owns a financial interest in[  
[~~(1) a bingo commercial lessor, bingo distributor, or bingo manufacturer; or~~  
[~~(2)~~] a lottery sales agency or a lottery operator.

No equivalent provision.

SECTION 1.082. Sections 467.101(a) and (c), Government Code, are amended to read as follows:

(a) The commission has broad authority and shall exercise strict control and close supervision over all activities authorized and conducted in this state under[  
[~~(1) Chapter 2001, Occupations Code; and~~  
[~~(2)~~] Chapter 466 [~~of this code~~].  
(c) The commission also has the powers and duties granted under[  
[~~(1) Chapter 2001, Occupations Code; and~~  
[~~(2)~~] Chapter 466 [~~of this code~~].

No equivalent provision.

SECTION 1.083. Section 467.111(f), Government Code, is amended to read as follows:

(f) The commission shall prepare a report on the trends and issues identified under Subsection (e) and make the report available to the public. The commission shall address the identified trends and issues, including trends and issues related to the regulation of

lottery operations under Chapter 466 [~~and of bingo under Chapter 2001, Occupations Code~~].

SECTION 1.18.

(a) The following provisions of the Occupations Code are repealed:

(1) Section 2001.060(b);

(2) Section 2001.305;

(3) Section 2001.436(c); and

(4) Section 2001.459(b).

SECTION 1.084. (a) Sections 467.021(c) and 467.031, Government Code, are repealed.

(b) The following provisions of the Occupations Code are repealed:

(1) Section 2001.051(c);

(2) Section 2001.052;

(3) Section 2001.0541;

(4) Section 2001.058;

(5) Section 2001.060(b);

(6) Section 2001.101(b);

(7) Sections 2001.103(e) and (h);

(8) Section 2001.157;

(9) Section 2001.158(d);

(10) Section 2001.159(c);

(11) Sections 2001.211(b), (c), and (d);

(12) Section 2001.213;

(13) Section 2001.214(b);

(14) Section 2001.304;

(15) Section 2001.305;

(16) Section 2001.308;

(17) Section 2001.313;

(18) Section 2001.314;

(19) Section 2001.351;

(20) Section 2001.352;

(21) Section 2001.353(d);

(22) Section 2001.354;

(23) Section 2001.355;

(24) Section 2001.356;

(25) Section 2001.357;

(26) Section 2001.358;

(27) Section 2001.436(c);

(28) Section 2001.437(f);

(29) Section 2001.451(b-1);

(30) Section 2001.459(b);

(31) Section 2001.501;

(32) Section 2001.503;

(33) Sections 2001.504(b), (c), (d), and (e);

(34) Section 2001.507;

(35) Section 2001.508;

(36) Section 2001.509;

(37) Section 2001.510;

(38) Section 2001.511;

(39) Section 2001.512;

(40) Section 2001.513;

(41) Section 2001.514;

(42) Section 2001.515;

(43) Section 2001.553;

(44) Section 2001.602;

(45) Section 2001.603;

- (46) Section 2001.604;
- (47) Section 2001.605;
- (48) Section 2001.606;
- (49) Section 2001.607;
- (50) Section 2001.608;
- (51) Section 2001.609;
- (52) Section 2001.610; and
- (53) Section 2001.611.

(b) Section 10, Chapter 1057 (H.B. 3021), Acts of the 74th Legislature, Regular Session, 1995, is repealed.

(c) Section 10, Chapter 1057 (H.B. 3021), Acts of the 74th Legislature, Regular Session, 1995, is repealed.

No equivalent provision.

SECTION 1.085. (a) On September 1, 2015:

(1) all functions and activities performed by the Texas Lottery Commission relating to the regulation of bingo operations under Chapter 2001, Occupations Code, immediately before that date are transferred to the Texas Department of Licensing and Regulation;

(2) a rule, policy, procedure, decision, or form adopted by the Texas Lottery Commission relating to Chapter 2001, Occupations Code, is a rule, policy, procedure, decision, or form of the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable, and remains in effect until amended or replaced by that commission or department unless the rule, policy, procedure, decision, or form conflicts with the changes in law made by this Act;

(3) unless the context clearly indicates otherwise, a reference to the Texas Lottery Commission in a law or administrative rule that relates to Chapter 2001, Occupations Code, means the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable;

(4) a complaint, investigation, or other proceeding before the Texas Lottery Commission that is related to Chapter 2001, Occupations Code, is transferred without change in status to the Texas Department of Licensing and Regulation, and the Texas Department of Licensing and Regulation assumes, as appropriate and without a change in status, the position of the Texas Lottery Commission in an action or proceeding to which the Texas Lottery Commission is a party;

(5) a license, permit, certification, or registration in effect that was issued by the Texas Lottery Commission under Chapter 2001, Occupations Code, is continued in effect as a license, permit, certification, or registration of the Texas Department of Licensing and Regulation;

(6) all money, contracts, leases, property, and obligations of the Texas Lottery Commission relating to Chapter 2001, Occupations Code, are transferred to the Texas Department of Licensing and Regulation; and

(7) the unexpended and unobligated balance of any money appropriated by the legislature for the Texas Lottery Commission related to Chapter 2001, Occupations Code, is transferred to the Texas Department of Licensing and Regulation.

(b) On September 1, 2015, all full time equivalent employee positions at the Texas Lottery Commission that primarily concern the administration, auditing, accounting, enforcement, or other direct and indirect support of Chapter 2001, Occupations Code, become positions at the Texas Department of Licensing and Regulation. When filling the positions, the Texas Department of Licensing and Regulation shall give first consideration to an applicant who, as of August 31, 2015, was an employee at the Texas Lottery Commission primarily involved in administering or enforcing Chapter 2001, Occupations Code.

(c) Not later than June 1, 2015, the Texas Lottery Commission shall grant the Texas Department of Licensing and Regulation inquiry-only security access to:

(1) all licensing, enforcement, and examination software or computer systems used by the Texas Lottery Commission in administering or enforcing Chapter 2001, Occupations Code; and

(2) the uniform statewide accounting system, the state property accounting system, the uniform statewide payroll system, and the human resources information system for the Texas Lottery Commission.

(d) Before September 1, 2015, the Texas Lottery Commission may agree with the Texas Department of Licensing and Regulation to transfer any property of the Texas Lottery Commission to the Texas Department of Licensing and Regulation to

implement the transfers required by this Act.  
(e) The Texas Department of Licensing and Regulation and the Texas Lottery Commission shall coordinate implementation of this section. The Texas Lottery Commission shall cooperate with the Texas Department of Licensing and Regulation in transferring all data and records necessary to implement the transfers required by this Act.

(f) Before July 15, 2015, the Texas Lottery Commission and the Texas Department of Licensing and Regulation shall develop and enter into a memorandum of understanding regarding the transfers required by this Act. The memorandum must include a transition plan with a timetable and specific steps and deadlines required to complete the transfer.

(g) Not later than December 1, 2015, a manufacturer of bingo equipment or supplies that submitted to the Texas Lottery Commission a bond as required under Section 2001.204, Occupations Code, before September 1, 2015, that is in effect on the effective date of this Act must amend the bond to name the Texas Department of Licensing and Regulation as the payee for the bond.

(h) A bond given by an applicant for a manufacturer's license as required by Section 2001.204, Occupations Code, as amended by this Act, on or after the effective date of this Act must comply with Subchapter E, Chapter 2001, Occupations Code, as amended by this Act.

No equivalent provision.

SECTION 1.086. (a) The repeal by this Act of Section 2001.553, Occupations Code, does not apply to an offense committed under that section before September 1, 2015. For purposes of this section, an offense is committed before September 1, 2015, if any element of the offense occurs before that date.

(b) An offense committed before September 1, 2015, is covered by that section as it existed when the offense was committed, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 1.087. The changes in law made by this Act to Chapter 2001, Occupations Code, apply only to a tax or fee charged on

or after September 1, 2015. A tax or fee charged before September 1, 2015, is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 1.088. (a) The governing body of a county or municipality that was entitled to receive a portion of the prize fee collected under former Section 2001.503, Occupations Code, as that section existed immediately before the effective date of this Act, may only continue receiving a portion of the prize tax collected under Section 2001.502, Occupations Code, as amended by this Act, after the effective date of this Act if the governing body:

(1) by majority vote of the members of the governing body approves the continued receipt of funds under that section and notifies the Texas Department of Licensing and Regulation of that decision not later than November 1, 2015; and

(2) notifies each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued quarterly imposition of the tax and the payment information for the tax, including the name to which a check for the tax payment is made and the mailing address to which the tax payment must be sent.

(b) Not later than October 1, 2015, the Texas Department of Licensing and Regulation shall notify the governing body of a county or municipality that was entitled to receive a portion of the prize fee collected under former Section 2001.503, Occupations Code, as that section existed immediately before the effective date of this Act, of the requirements for continued receipt of the prize tax under that section as provided in Subsection (a) of this section.

SECTION 1.19. (a) Not later than December 1, 2015, the Texas Lottery Commission shall:

(1) adopt the rules necessary to implement the changes in law made by this Act; and

(2) send to the comptroller a report on the prize fees collected by the commission under Section 2001.502, Occupations Code, as that section existed before amendment by

SECTION 1.089. (a) Not later than March 1, 2016, the Texas Commission of Licensing and Regulation shall adopt the rules necessary to implement the changes in law made by this Act.

this Act, in the two years preceding the effective date of this Act and specify the licensed authorized organizations that have paid the fee in a timely or untimely manner.

(b) A licensed authorized organization that is listed on the report required under Subsection (a)(2) of this section as paying timely is exempt from posting any bond required under Section 151.254, Tax Code.

(c) Section 2001.451, Occupations Code, as amended by this Act, applies beginning January 1, 2016.

(d) Section 2001.502, Occupations Code, as amended by this Act, applies to prize fees collected on and after the effective date of this Act. Prize fees collected before that date are governed by the law in effect on the date the fees were collected and that law continues in effect for that purpose.

## ARTICLE 2. REGULATION OF AMUSEMENT REDEMPTION MACHINE GAME ROOMS

SECTION 2.01. Section 234.131, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is amended by adding Subdivisions (1-a), (1-b), (1-c), (5), (6), (7), and (8) to read as follows:

(1-a) "Applicant" means a person, owner, corporation, partnership, or other business entity required to submit a game room application.

(1-b) "Current fire inspection report" means a fire inspection report issued by a fire department not earlier than the 60th day immediately preceding the date an application for issuance or renewal of a game room is filed.

(1-c) "Gambling device" has the meaning assigned by Section 47.01, Penal Code.

(5) "Peace officer" has the meaning assigned by Article 2.12, Code of Criminal Procedure.

(6) "Public building" means a building used by federal, state, or local government that is open to the general public.

(7) "Regulation" means a regulation adopted by a county in this state for the operation of a game room.

(b) Section 2001.451, Occupations Code, as amended by this Act, applies beginning January 1, 2016.

(c) Section 2001.502, Occupations Code, as amended by this Act, applies to prize taxes collected on and after January 1, 2016. Prize taxes collected before that date are governed by the law in effect immediately before the effective date of this Act, and that law continues in effect for that purpose.

## ARTICLE 2. REGULATION OF AMUSEMENT REDEMPTION MACHINE GAME ROOMS ON LICENSED BINGO PREMISES

No equivalent provision.

(8) "School" means a facility, including all attached playgrounds, dormitories, stadiums, and other appurtenances that are part of the facility, used for the primary purpose of instruction or education, including primary or secondary schools, colleges, and universities, both public and private.

SECTION 2.02. Section 234.134, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

Sec. 234.134. ~~[LICENSES OR]~~ PERMITS.

(a) A county may require that an owner or operator of a game room obtain a ~~[license or]~~ permit or renew a ~~[license or]~~ permit on a periodic basis to own or operate a game room in the county. An application for a ~~[license or]~~ permit must be made in accordance with regulations adopted by the county.

(b) Regulations adopted under this section may provide for the denial, suspension, or revocation of a ~~[license or]~~ permit.

(c) A district court has jurisdiction of a suit that arises from the denial, suspension, or revocation of a ~~[license or other]~~ permit by a county.

No equivalent provision.

SECTION 2.03. Subchapter E, Chapter 234, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is amended by adding Sections 234.1341 and 234.1342 to read as follows:

Sec. 234.1341. PERMIT APPLICATION.

(a) An owner or operator of a game room may not operate, use, or maintain any game room in a county that requires an owner or operator to obtain a permit under Section 234.134 unless the owner or operator holds a permit issued under this subchapter.

(b) An applicant shall file a completed application with the county sheriff's office of the county in which the proposed game room will be located. The application shall be filed on the form provided by the office or on an accurate and legible copy of that form. The applicant must apply in person at the office.

(c) The sheriff's office shall post a copy of the application form and the permit fee

No equivalent provision.

amount on the county's Internet website. The office shall establish the hours for submission of applications under this section.

(d) The game room administrator of the sheriff's office shall mail notice of receipt of a completed application or notice of deficiencies in an application to the applicant not later than the 10th day after the date the application is received by the office.

(e) Each application must be accompanied by:

(1) an annual inspection report that includes documentation of compliance with any previous correction ordered by the sheriff's office or a fire safety official;

(2) a copy of the certification of occupancy or certification of compliance issued by a building official as appropriate for the proposed game room premises;

(3) a diagram or the game room floor plan prepared by a licensed architect or engineer that includes the designed occupancy load and has been reviewed by the county clerk;

(4) for a game room operating under an assumed name, a copy of the assumed name certificate filed in the county clerk's office that includes the file mark or stamp evidencing its filing;

(5) a nonrefundable application fee in the amount established by the county commissioners court; and

(6) a copy of the applicant's government-issued photo identification.

(f) An applicant's failure to provide the information or documents required by this section or pay the fee required by Section 234.135 or a determination by the sheriff's office that inaccurate, erroneous, or incomplete information has been submitted is grounds for denial or revocation of the application.

(g) If the sheriff's office denies a game room permit, the office shall give the applicant written notice of the basis for denial.

Sec. 234.1342. PERMIT RENEWAL. A permit holder may annually renew the permit not earlier than 60 days before the date a permit expires by filing a completed application for the permit with the game room permit administrator of the sheriff's office and paying the applicable fee. A renewal application is subject to the same requirements as a permit application.

SECTION 2.04. Section 234.135, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

Sec. 234.135. FEES; ISSUANCE OF PERMIT; PREMISES REQUIREMENTS.

(a) A county may impose a fee not to exceed \$1,000 on an applicant for a [license or] permit or for the renewal of the [license or] permit required under this subchapter. The fee must be based on the cost of processing the application and investigating the applicant.

(b) An applicant shall pay the permit fee imposed under this section to the sheriff's office. On completion of the application process, the game room administrator of the sheriff's office shall give the applicant a signed receipt. The receipt constitutes a permit to operate the game room that is valid until the first anniversary of the date the permit is issued.

(c) A person who holds a permit issued under this section must meet and comply with all requirements of law applicable to the game room premises or any activity conducted on the game room premises. The issuance of a permit under this section does not excuse or provide a defense to the permit holder, the permit holder's agents or employees, or any patrons of the game room for a violation of this subchapter or other law.

No equivalent provision.

SECTION 2.05. Section 234.136, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

Sec. 234.136. INSPECTION BY LAW ENFORCEMENT OFFICER.

(a) A peace officer or county employee may inspect a business in the county to determine the number of amusement redemption machines subject to regulation under this subchapter that are located on the premises of the business. A peace officer is authorized to inspect any business for a violation of this subchapter.

(a-1) This section does not authorize a right of entry otherwise prohibited by law. A

No equivalent provision.

peace officer may enter a business under this section with consent, with a warrant, or under exigent circumstances. A game room permit granted under this subchapter gives peace officers implied consent under this section to enter the premises of the game room.

(a-2) A business for which a game room permit has not been issued under this subchapter that holds itself out as a game room, by sign, advertisement, word-of-mouth, offering of memberships, or any other means, is subject to inspection by a peace officer. Refusal to allow a peace officer entry to inspect the premises of the game room may be considered in establishing probable cause for the issuance of a search warrant to inspect for violations of this subchapter.

(b) A peace officer or county employee may inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with this subchapter or regulations adopted under this subchapter or to inspect records required under Section 234.1362.

(c) A person violates this subchapter if the person fails to allow a peace officer or county employee to conduct an inspection of a game room, an amusement redemption machine, or records required under Section 234.1362 or this section.

SECTION 2.06. Subchapter E, Chapter 234, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is amended by adding Sections 234.1361, 234.1362, 234.1363, 234.1364, 234.1365, and 234.1366 to read as follows:

No equivalent provision.

Sec. 234.1361. DISPLAY OF GAME ROOM PERMITS. An owner or operator of a game room shall display the valid game room permit issued to the owner or operator under this subchapter on the game room premises. The permit must be displayed in plain sight in a common area accessible to the public without entrance to a controlled area of the business.

No equivalent provision.

Sec. 234.1362. RECORDS REQUIRED. (a) An owner or operator of a game room

No equivalent provision.

shall maintain on the premises:

(1) a record for each employee that includes:

(A) the employee's name, address, date of birth, state identification number or social security number, job function, and W-2 or W-4 form;

(B) a copy of the employee's application to work with the game room and a copy of the employee's I-9 filed for employment eligibility verification with the Department of Homeland Security; and

(C) a photograph of the employee;

(2) a daily register that includes the name, date of birth, state identification number or social security number, and job function of each employee present at the establishment that day; and

(3) a copy of the county and state tax record forms required under Chapter 2153, Occupations Code, or other law for each amusement redemption machine on the premises that includes the name of the manufacturer, the serial number, the type of machine, and the serial number of the tax permit for a coin-operated machine and, if applicable, the serial number for the county tax permit, with the year of expiration for any tax permit.

(b) An owner or operator who violates Subsection (a) shall be assessed a civil penalty of not more than \$10,000 for each record required under this section that is missing.

(c) The game room shall preserve the daily register required by Subsection (a)(2) for at least 90 days after the date the register was made. An owner or operator who violates this subsection may be assessed an administrative penalty in the amount of \$500 for each register required to be preserved that is missing.

Sec. 234.1363. PROHIBITED EMPLOYMENT; CIVIL PENALTY. (a)

An owner or operator of a game room may not knowingly employ any person who has been previously convicted of, or entered a plea of nolo contendere or guilty or received deferred adjudication for, an offense involving any conduct involving gambling violations prohibited under Chapter 47, Penal Code.

(b) An owner or operator of a game room shall conduct a criminal background check

No equivalent provision.

on each potential employee.

(c) Failure to comply with this section is a violation and punishable by a civil penalty assessed against an owner or operator not to exceed \$10,000 per prohibited employee working at the game room and per employee working at the game room without being subjected to a criminal background check.

(d) Each day a violation of this section continues or occurs constitutes a separate violation for purposes of imposing a penalty under Section 234.137.

Sec. 234.1364. AMUSEMENT REDEMPTION MACHINES; PERMITS AND VIOLATIONS. (a) An owner or operator of a game room shall obtain from the county a permit for each amusement redemption machine on the game room premises in accordance with Chapter 2153, Occupations Code.

(b) The owner or operator of a game room shall pay an annual fee in an amount equal to 25 percent of the state's annual fee per machine.

(c) Each amusement redemption machine permit application shall specify on the application the physical location of the amusement redemption machine.

(d) If a permit is not obtained for an amusement redemption machine, the county tax assessor-collector's office shall lock the machine, and it may not be used until the owner purchases a permit for the machine by paying a \$100 permit fee and a \$5 release fee per machine.

(e) If a county compliance officer is not allowed entrance to a game room during business hours, a civil penalty not to exceed \$10,000 for each date of denial shall be assessed on the owner or operator of the game room.

(f) A county may assess a civil penalty under Section 234.137 on the owner or operator of a game room for each machine:

(1) that is not registered with a valid current year video tax stamp decal prominently displayed on the machine; and

(2) used for illegal gambling.

(g) If a law enforcement agency determines through investigation that a game room is operating in violation of Chapter 47, Penal Code, each amusement redemption machine or gambling device in the game room is considered in violation. A civil penalty not

No equivalent provision.

to exceed \$10,000 per machine or device may be assessed on the owner or operator of the game room.

(h) It is not a defense to prosecution under this section that the owner is not doing business in the owner's name, is not leasing property in the owner's name, or only has an ownership interest in the business.

Sec. 234.1365. GROUNDS FOR DENIAL, REVOCATION, OR SUSPENSION OF PERMIT. (a) Any violation of this subchapter or regulations adopted under this subchapter or failure to meet the requirements of this subchapter and regulations adopted under this subchapter is grounds for denial, revocation, or suspension of a permit to operate a game room. If a game room's permit has been revoked, denied, or suspended, the game room may not be operated during the pendency of any appeal from the revocation, denial, or suspension.

(b) The sheriff shall deny a game room permit on a finding by the sheriff that the applicant:

(1) has been previously convicted of any of the following offenses:

(A) gambling, gambling promotion, keeping a gambling place, communicating gambling information, possession of gambling devices or equipment, or possession of gambling paraphernalia under Chapter 47, Penal Code;

(B) forgery, credit card abuse, or commercial bribery under Chapter 32, Penal Code;

(C) any criminal offense under Chapter 34, Penal Code;

(D) criminal attempt, conspiracy, or solicitation to commit any of the offenses listed in Paragraphs (A)-(C) or any other offense under the laws of another state or of the United States that, if committed in this state, would have been punishable as one or more of the offenses; or

(E) a criminal offense under Subchapter B, Chapter 352, if:

(i) less than two years have elapsed since the later of the date of conviction or the date of release from confinement imposed for the conviction of a misdemeanor offense; or

(ii) less than five years have elapsed since the later of the date of conviction or the date of release from confinement for the

No equivalent provision.

conviction of a felony offense;  
(2) makes a misleading statement in the application for the game room permit;  
(3) is younger than 18 years of age;  
(4) has had a game room permit revoked within the 180-day period immediately preceding the date the application was filed;  
(5) is delinquent in the payment to the county of taxes, fees, fines, or penalties assessed or imposed regarding the operation of a game room;  
(6) failed to pay the application or renewal fee required by this subchapter; or  
(7) has not had the required fire and life safety inspection by a fire safety official within 60 days immediately preceding the date the application was filed.  
(c) The sheriff may initiate a proceeding to revoke or suspend a game room permit if:  
(1) any person commits on the premises of the game room an offense listed in Subsection (b)(1);  
(2) the applicant provides false, fraudulent, or untruthful information on the original or renewal application;  
(3) the game room permit should not have been issued under the requirements of this subchapter or regulations adopted under this subchapter;  
(4) the owner or operator of the game room fails to comply with corrections ordered by a fire safety official with authority to conduct fire and life safety inspections in the county in which the game room is located; or  
(5) the owner is convicted of an offense listed in Subsection (b)(1).  
(d) The sheriff may not issue a game room permit or temporary game room permit until final disposition of any case involving an offense listed in Subsection (b)(1) that is pending or arises during the application process.

Sec. 234.1366. DENIAL, REVOCATION, OR SUSPENSION OF PERMIT; HEARING; APPEAL. (a) If an event providing a basis for denial, revocation, or suspension of a game room permit under this subchapter occurs, the sheriff shall send to the game room permit holder or the holder's designated agent a written notice of denial, revocation, or suspension. The notice must set out the reasons for the action. The revocation or suspension is final on the fifth

No equivalent provision.

day after the date notice is issued.

(b) The game room permit holder or the holder's designated agent is entitled to appear before a hearing examiner appointed by the commissioners court of the county in which the game room is located on written request submitted to the sheriff not less than the 10th business day after the date the notice is delivered. The written request for a hearing stays the revocation or suspension until the hearing is concluded.

(c) The hearing examiner may not have participated in any investigation of the alleged grounds for the denial, revocation, or suspension. The hearing must be held not later than the 14th business day after the date the request for hearing is submitted.

(d) The game room permit holder and the sheriff are entitled to present evidence, cross-examine witnesses, and be represented by legal counsel. The rules of evidence for a civil, nonjury trial apply to the hearing.

(e) If the facts presented at the hearing support a finding that grounds exist for revoking or suspending a game room permit, the hearing examiner may request that the parties present relevant evidence to show whether suspension or revocation of the game room permit is more appropriate. Reasonable conditions may be attached to a game room permit by the hearing examiner based on the evidence presented at the hearing.

(f) If the hearing examiner determines that a game room permit should be revoked, the hearing examiner shall issue a written order revoking the game room permit that is effective immediately.

(g) If the hearing examiner determines based on the nature of the violations that a suspension instead of a revocation is appropriate, operation of the game room permit may be suspended for a period not to exceed six months. The hearing examiner shall issue a written order suspending the game room permit and attaching any applicable conditions that is effective on the date the owner receives notice.

(h) On a finding that Section 234.1365(c)(3), (4), or (5) has been violated, the hearing examiner shall revoke the game room permit.

(i) Revocation takes effect immediately on notice by the sheriff, subject to reinstatement following an appeal, if:

(1) immediate action is required to protect the public from injury or imminent danger;  
or

(2) a game room permit was issued based on a misrepresentation in the application, and the game room permit would not have been issued otherwise.

(j) The decision of the hearing examiner is final. The losing party may appeal the decision by filing a petition in a district court in the county not later than the 30th day after the date of the decision. Judicial review is under the substantial evidence rule, and the judgment of the district court may be appealed, as in other civil cases.

(k) An applicant whose permit has been denied, revoked, or suspended may reapply for a game room permit if the applicant makes the changes necessary for the proposed game room to be in compliance with this subchapter and regulations adopted under this subchapter.

No equivalent provision.

SECTION 2.01. Subchapter E, Chapter 234, Local Government Code, as added by Chapter 1377 (H.B. 1127), Acts of the 83rd Legislature, Regular Session, 2013, is amended by adding Section 234.1331 to read as follows:

Sec. 234.1331. LICENSED BINGO PREMISES. (a) Except as otherwise provided by this section, regulations adopted by the commissioners court of a county as authorized by Section 234.133 apply to a location at which bingo is conducted under Chapter 2001, Occupations Code, in the same manner as the regulations apply to other premises subject to the regulations.

(b) This subsection applies only to a location at which bingo was conducted on or before January 1, 2015, under a license issued under Chapter 2001, Occupations Code. The regulations authorized by Section 234.133 may not:

(1) restrict or prohibit the location of a game room at a location to which this subsection applies;

(2) require signage or place regulations on the windows or doors of a location to which this subsection applies;

(3) restrict the hours of operation of a game room at a location to which this subsection applies; or

(4) apply to a location to which this

subsection applies in a manner that is different from a location that derives more than 50 percent of its sales from the sale of food or beverages, including alcohol and liquor sales.

SECTION 2.07. Section 234.132, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013, is repealed.

No equivalent provision. (But see SECTION 2.02 below.)

SECTION 2.08. Subchapter E, Chapter 234, Local Government Code, as added by Chapter 1377 (H.B. 1127), Acts of the 83rd Legislature, Regular Session, 2013, is repealed.

No equivalent provision. (But see SECTION 2.02 below.)

No equivalent provision. (But see SECTIONS 2.07 and 2.08 above.)

SECTION 2.02. The following provisions are repealed:

(1) Section 234.132, Local Government Code, as added by Chapter 1377 (H.B. 1127), Acts of the 83rd Legislature, Regular Session, 2013; and

(2) Subchapter E, Chapter 234, Local Government Code, as added by Chapter 1284 (H.B. 2123), Acts of the 83rd Legislature, Regular Session, 2013.

### ARTICLE 3. EFFECTIVE DATE

Same as introduced version.

SECTION 3.01. This Act takes effect September 1, 2015.

SECTION 3.01. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2015.

(b) Section 1.085 of this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, that section takes effect September 1, 2015.

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