

By: Thompson of Harris

H.B. No. 2642

Substitute the following for H.B. No. 2642:

By: Geren

C.S.H.B. No. 2642

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the transfer of the licensing and regulation of
3 charitable bingo to the Texas Department of Licensing and
4 Regulation and regulation by counties of amusement redemption
5 machine game rooms on bingo premises; requiring an occupational
6 permit; authorizing fees and taxes; creating civil and
7 administrative penalties; increasing a criminal penalty.

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

9 ARTICLE 1. REGULATION OF CHARITABLE BINGO

10 SECTION 1.001. Section [2001.002](#), Occupations Code, is
11 amended by amending Subdivisions (8), (13), (18), and (25-a) and
12 adding Subdivisions (8-a) and (9-a) to read as follows:

13 (8) "Commission" means the Texas [~~Lottery~~] Commission
14 of Licensing and Regulation.

15 (8-a) "Department" means the Texas Department of
16 Licensing and Regulation.

17 (9-a) "Executive director" means the executive
18 director of the department.

19 (13) "Gross gaming revenue [~~receipts~~]" means the total
20 amount received from the sale, rental, transfer, or use of bingo
21 cards and entrance fees charged at premises at which bingo is
22 conducted less the amount of cash prizes paid to winners of bingo
23 games.

24 (18) "Net proceeds" means:

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

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

13 (25-a) "Regular license" means a license to conduct
14 bingo that is issued by the department [~~commission~~] and that
15 expires on the first [~~or second~~] anniversary of the date of issuance
16 unless revoked or suspended before that date by the department
17 [~~commission. The term includes an annual license~~].

18 SECTION 1.002. The heading to Subchapter B, Chapter 2001,
19 Occupations Code, is amended to read as follows:

20 SUBCHAPTER B. [~~COMMISSION~~] POWERS AND DUTIES

21 SECTION 1.003. The heading to Section 2001.051, Occupations
22 Code, is amended to read as follows:

23 Sec. 2001.051. CONTROL AND SUPERVISION OF BINGO[~~, — BINGO~~
24 ~~DIVISION~~].

25 SECTION 1.004. Sections 2001.051(a) and (b), Occupations
26 Code, are amended to read as follows:

27 (a) The department [~~commission~~] shall administer this

1 chapter.

2 (b) The commission has broad authority and shall exercise
3 [~~strict~~] control and close supervision over all bingo conducted in
4 this state so that bingo is fairly conducted and the proceeds
5 derived from bingo are used for an authorized purpose.

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

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

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

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

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

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

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

27 SECTION 1.007. Section 2001.057, Occupations Code, is

1 amended to read as follows:

2 Sec. 2001.057. BINGO ADVISORY COMMITTEE AND ADVICE FOR
3 COMMISSION. (a) The commission shall [~~may~~] appoint a bingo
4 advisory committee consisting of nine members. The commission
5 shall appoint members representing a balance of interests including
6 representatives of:

7 (1) the public;

8 (2) charities that operate bingo games; [~~and~~]

9 (3) commercial and charity lessors that participate in
10 the bingo industry;

11 (4) distributors; and

12 (5) manufacturers.

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

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

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

22 (1) advise the commission on the needs and problems of
23 the state's bingo industry;

24 (2) comment on rules involving bingo during their
25 development and before final adoption unless an emergency requires
26 immediate action by the commission; and

27 (3) [~~report annually to the commission on the~~]

1 ~~committee's activities, and~~

2 ~~[(4)]~~ perform other duties as determined by the
3 commission or executive director.

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

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

9 SECTION 1.008. Section [2001.059](#)(f), Occupations Code, is
10 amended to read as follows:

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

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

16 (a) On or before June 1 of each even-numbered year, the
17 department ~~[commission]~~ shall prepare and deliver to the governor,
18 the lieutenant governor, the speaker of the house of
19 representatives, and the chairs of the standing committees of the
20 senate and house of representatives with primary jurisdiction over
21 charitable bingo a report stating for each of the preceding two
22 calendar years:

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

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

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

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

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

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

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

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

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

1 (2) a nonprofit organization:

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

4 (B) that for at least three years:

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

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

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

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

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

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

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

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

24 (b) The application must include:

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

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

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

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

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

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

15 (7) sufficient facts relating to the applicant's
16 incorporation and organization to enable the department
17 [~~commission~~] to determine whether the applicant is an authorized
18 organization;

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (1) Class A (annual [~~gross~~] receipts of not more than
16 \$75,000)-\$300 [~~\$25,000 or less~~]-\$100];

17 (2) Class B (annual [~~gross~~] receipts of more than
18 \$75,000 [~~\$25,000~~] but not more than \$200,000)-\$900
19 [~~\$50,000~~]-\$200];

20 (3) Class C (annual [~~gross~~] receipts of more than
21 \$200,000 [~~\$50,000~~] but not more than \$400,000)-\$2,000
22 [~~\$75,000~~]-\$300]; and

23 (4) Class D (annual [~~gross~~] receipts of more than
24 [~~\$75,000 but not more than \$100,000~~]-\$400,

25 [~~(5) Class E (annual gross receipts of more than~~
26 ~~\$100,000 but not more than \$150,000)~~]-\$600,

27 [~~(6) Class F (annual gross receipts of more than~~

1 ~~\$150,000 but not more than \$200,000)-\$900,~~
2 ~~[(7) Class C (annual gross receipts of more than~~
3 ~~\$200,000 but not more than \$250,000)-\$1,200,~~
4 ~~[(8) Class H (annual gross receipts of more than~~
5 ~~\$250,000 but not more than \$300,000)-\$1,500,~~
6 ~~[(9) Class I (annual gross receipts of more than~~
7 ~~\$300,000 but not more than \$400,000)-\$2,000, and~~
8 ~~[(10) Class J (annual gross receipts of more than]~~
9 ~~\$400,000)-\$2,500.~~

10 (d) An applicant shall pay the fees established under
11 Subsection (a) annually. ~~[An applicant for a license or renewal of~~
12 ~~a license may obtain a license that is effective for two years by~~
13 ~~paying an amount equal to two times the amount of the annual license~~
14 ~~fee.]~~

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

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

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

26 (1) the member or members of the applicant designated
27 in the application to conduct bingo are active members of the

1 applicant;

2 (2) the bingo is to be conducted in accordance with
3 this chapter;

4 (3) the proceeds of the bingo are to be disposed in
5 accordance with this chapter;

6 (4) the applicant has made and can demonstrate
7 significant progress toward the accomplishment of the purposes of
8 the organization during the 12 months preceding the date of
9 application for a license or license renewal; and

10 (5) all persons who will conduct, promote, or
11 administer the proposed bingo are active members of the applicant
12 organization and all other persons who will assist in conducting,
13 promoting, or administering the proposed bingo games are persons
14 authorized ~~[to do so]~~ by the applicant ~~[Section 2001.411, and~~

15 ~~[(6) no person under whose name bingo will be~~
16 ~~conducted and no person working at the proposed bingo has been~~
17 ~~convicted of a gambling offense or criminal fraud].~~

18 (b) The department ~~[commission]~~ may not issue a license to
19 an authorized organization to conduct bingo if an officer or member
20 of the board of directors of the organization, or a person under
21 whose name bingo will be conducted, has been convicted of criminal
22 fraud or a gambling or gambling-related offense.

23 (b-1) The department may not take disciplinary action
24 against a licensed authorized organization that has on file for a
25 person described by Subsection (b) or an organization employee a
26 criminal history records check, conducted by a local law
27 enforcement agency or the Department of Public Safety, that does

1 not contain a record of a conviction for an offense described by
2 that subsection. If the department conducts a criminal history
3 records check on the person or employee that contains a record of a
4 conviction for an offense described by that subsection:

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

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

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

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

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

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

- 21 (1) conducting bingo;
22 (2) administering and operating bingo; and
23 (3) promoting bingo.

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

- 25 (1) the content of the training course;
26 (2) information concerning training to be reported to
27 the department [~~commission~~]; and

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

4 SECTION 1.017. Section [2001.108](#), Occupations Code, is
5 amended to read as follows:

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

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

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

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

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

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

13 [~~(c) Notwithstanding Subsection (d), the commission~~] may
14 issue temporary licenses to one or more licensed authorized
15 organizations that conduct bingo at the same location as an
16 organization that has ceased or will cease to conduct bingo, which
17 are in addition to the number of temporary licenses each
18 organization is entitled to under another provision of this
19 chapter. The department [~~commission~~] is not required to act on a
20 joint application under Subsection (a) within the time provided by
21 this section if the number of additional temporary licenses is
22 sufficient to allow the other organizations at the location to
23 conduct bingo during the licensed times of the organization that
24 has ceased or will cease to conduct bingo.

25 SECTION 1.018. Section [2001.152](#)(a), Occupations Code, is
26 amended to read as follows:

27 (a) The department [~~commission~~] may issue a commercial

1 lessor license only to:

2 (1) a licensed authorized organization that owns or
3 leases a premises where bingo is or will be conducted or an
4 association of licensed authorized organizations that jointly own
5 or lease premises where bingo is or will be conducted and that the
6 organization or association leases or offers for lease to one or
7 more other authorized organizations for the conduct of bingo;

8 (2) a person who leases premises to a single licensed
9 authorized organization that subleases or will sublease the
10 premises to one or more other licensed authorized organizations for
11 the conduct of bingo; or

12 (3) a person who leases premises for the total control
13 and exclusive use of only one licensed authorized organization as
14 that organization's primary business office.

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

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

24 (1) the person's own funds; or

25 (2) the funds of another person, including loan
26 proceeds, that:

27 (A) were obtained in an arms-length transaction

1 that was commercially reasonable under the circumstances; and

2 (B) were not obtained under an expectation or
3 obligation that the person from whom the funds were obtained would
4 directly participate in, or have a legal interest in, rents
5 obtained under the license or revenues or profits from the conduct
6 of bingo on the premises.

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

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

11 (1) a person convicted of criminal fraud or a gambling
12 or gambling-related offense;

13 (2) a public officer who receives any consideration,
14 direct or indirect, as owner or lessor of premises offered for
15 conducting bingo;

16 (3) a person who extends credit to, loans money to, or
17 pays or provides for the payment of license fees for an authorized
18 organization;

19 (4) a distributor or manufacturer; or

20 (5) a person in which a person covered by Subdivision
21 (1), (2), (3), or (4) or a person married or related in the first
22 degree by consanguinity or affinity, as determined under Chapter
23 573, Government Code, to one of those persons has greater than a 10
24 percent proprietary, equitable, or credit interest or in which one
25 of those persons is active or employed[+]

26 [~~(6) a foreign corporation or other foreign legal~~
27 ~~entity,~~

1 ~~[(7) an individual who is not a resident of this state,~~
2 ~~[(8) a corporation or other legal entity owned or~~
3 ~~controlled by:~~
4 ~~[(A) a foreign corporation, or~~
5 ~~[(B) an individual who is not a resident of this~~
6 ~~state, or~~
7 ~~[(9) a corporation or other legal entity:~~
8 ~~[(A) whose shares are publicly traded, or~~
9 ~~[(B) owned or controlled by a corporation whose~~
10 ~~shares are publicly traded].~~

11 SECTION 1.021. Section [2001.156](#)(a), Occupations Code, is
12 amended to read as follows:

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

16 SECTION 1.022. Section [2001.158](#)(a), Occupations Code, is
17 amended to read as follows:

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

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

23 (2) Class B (annual gross rentals from licensed
24 organizations of more than \$30,000 ~~[\$12,000]~~ but not more than
25 \$60,000)-\$900 ~~[\$20,000]-\$200~~;

26 (3) Class C (annual gross rentals from licensed
27 organizations of more than \$60,000 ~~[\$20,000]~~ but not more than

1 ~~\$90,000)-\$2,000~~ [~~\$30,000)-\$300~~]; and

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

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

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

9 [~~(7) Class G (annual gross rentals from licensed~~
10 ~~organizations of more than \$60,000 but not more than~~
11 ~~\$70,000)-\$1,200~~;

12 [~~(8) Class H (annual gross rentals from licensed~~
13 ~~organizations of more than \$70,000 but not more than~~
14 ~~\$80,000)-\$1,500~~;

15 [~~(9) Class I (annual gross rentals from licensed~~
16 ~~organizations of more than \$80,000 but not more than~~
17 ~~\$90,000)-\$2,000~~; and

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

20 SECTION 1.023. Sections [2001.159](#)(a) and (b), Occupations
21 Code, are amended to read as follows:

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

25 (1) the applicant has paid the license fee as provided
26 by Section [2001.158](#);

27 (2) the applicant qualifies to be licensed under this

1 chapter;

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

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

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

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

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

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

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

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

26 (f) On the showing by the department [~~commission~~] of a cause
27 that would be sufficient for the department [~~commission~~] to revoke

1 or suspend a license under this chapter or an applicable commission
2 rule, a district court in Travis County [~~the county for which a~~
3 ~~commercial lessor license was issued or the commission~~] by order
4 may temporarily or permanently enjoin the conduct of bingo at
5 premises under a license to which Subsection (d) applies.

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

13 SECTION 1.025. Section [2001.161](#)(c), Occupations Code, is
14 amended to read as follows:

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

18 SECTION 1.026. Section [2001.201](#), Occupations Code, is
19 amended to read as follows:

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

27 SECTION 1.027. Section [2001.203](#), Occupations Code, is

1 amended to read as follows:

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

6 (b) The application must include:

7 (1) the name and address of the applicant and the name
8 and address of each of its locations where bingo supplies or
9 equipment are manufactured;

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

14 (3) if the applicant:

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

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

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

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

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

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

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

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

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

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

27 (12) any other information the department

1 [~~commission~~] requests.

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

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

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

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

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

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

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

27 (b) The application must include:

- 1 (1) the full name and address of the applicant;
- 2 (2) the name and address of each location operated by
3 the distributor from which bingo supplies or equipment are
4 distributed or at which bingo supplies or equipment are stored;
- 5 (3) if a noncorporate distributor, the name and home
6 address of each owner;
- 7 (4) if a corporate distributor, the name and home
8 address of each officer or director and of each person owning more
9 than 10 percent of a class of stock in the corporation;
- 10 (5) if a foreign corporation or other foreign legal
11 entity, the name, business name and address, and address of its
12 registered agent for service in this state;
- 13 (6) a full description of the type of bingo supply or
14 equipment that the applicant intends to store or distribute in this
15 state and the name of the manufacturer of each item and the brand
16 name, if any, under which the item will be sold or marketed;
- 17 (7) the name and address of a manufacturer, supplier,
18 or distributor in which the applicant has a financial interest and
19 the details of that financial interest, including an indebtedness
20 between the applicant and the manufacturer, supplier, or
21 distributor of \$5,000 or more;
- 22 (8) information regarding whether the applicant or a
23 person required to be named in the application has been convicted in
24 this state or another state of criminal fraud or a gambling or
25 gambling-related offense;
- 26 (9) information regarding whether the applicant or a
27 person required to be named in the application is an owner, officer,

1 director, shareholder, agent, or employee of a licensed commercial
2 lessor or conducts, promotes, administers, or assists in
3 conducting, promoting, or administering bingo for which a license
4 is required under this chapter;

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

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

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

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

21 (14) any other information the department
22 [~~commission~~] requests.

23 SECTION 1.031. Section [2001.209](#)(b), Occupations Code, is
24 amended to read as follows:

25 (b) In addition to the annual license fee, the department
26 [~~commission~~] may require an additional fee in an amount necessary
27 to defray the cost of a background investigation of the applicant,

1 including the inspection of storage, distribution, or operating
2 locations. The commission by rule may establish the conditions and
3 procedure for payment of the additional fee.

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

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

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

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

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

18 (a) A [~~Except as provided by Subsection (b), a~~]
19 manufacturer's or distributor's license is effective for one year
20 unless revoked or suspended by the department [~~commission~~].

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

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

26 (b) The department [~~commission~~] may not disclose
27 information obtained during the examination except as necessary to

1 carry out this chapter.

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

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

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

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

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

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

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

23 SUBCHAPTER G. GENERAL PROVISIONS RELATING TO

24 DEPARTMENT [~~COMMISSION~~] LICENSES

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

27 Sec. 2001.301. LICENSE INVESTIGATION. Promptly after the

1 filing of the application for a license under this chapter, the
2 department [~~commission~~] shall investigate the qualifications of
3 each applicant and the merits of the application.

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

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

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

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

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

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

24 (2) a person required to be named in a license
25 application; or

26 (3) an employee or other person who works or will work
27 for a license holder and who is required by another provision of

1 this chapter to undergo a criminal background check.

2 SECTION 1.042. Sections 2001.306(a), (a-1), and (d),
3 Occupations Code, are amended to read as follows:

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

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

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

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

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

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

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

1 ~~authorization,~~] or the privileges conferred.

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

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

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

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

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

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

26 Sec. 2001.316. DELIVERY OF DEPARTMENT [~~COMMISSION~~] NOTICE.
27 If notice under this chapter is required to be given to an

1 authorized organization, the department [~~commission~~] shall send
2 the notice to the bingo chairperson of the authorized organization
3 and to the appropriate commercial lessor, if applicable.

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

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

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

10 (a) After a hearing, the executive director or commission
11 may suspend, revoke, or refuse to renew a license [~~or registration~~]
12 issued under this chapter for:

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

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

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

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

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

27 (3) to take any other reasonable action prescribed by

1 the executive director or commission to address the matters that
2 are the basis of the probation.

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

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

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

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

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

20 SECTION 1.051. Section 2001.409, Occupations Code, is
21 amended by adding Subsection (b) to read as follows:

22 (b) Nothing in this chapter shall be construed as
23 authorizing any game using a video lottery machine or machines. In
24 this section "video lottery machine" or "machine" means any
25 electronic video game machine that, on insertion of cash, is
26 available to play or simulate the play of a video game, including
27 but not limited to video poker, keno, and blackjack, utilizing a

1 video display and microprocessor in which the player may receive
2 free games or credits that can be redeemed for cash, coins, or
3 tokens or that directly dispenses cash, coins, or tokens.

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

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

12 SECTION 1.053. Section 2001.414, Occupations Code, is
13 amended to read as follows:

14 Sec. 2001.414. BINGO RECORDS. (a) The commission by rule
15 may provide for different recordkeeping procedures for licensed
16 authorized organizations by class based on the amount of the
17 organization's total [~~gross~~] receipts derived from the conduct of
18 bingo [~~of the organization~~].

19 (b) An organization conducting bingo must record on a cash
20 register all transactions for which it receives total [~~bingo gross~~]
21 receipts derived from the conduct of bingo in conformance with
22 commission rules relating to transaction recording specifications.

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

25 Sec. 2001.415. ADVERTISEMENTS. (a) A person other than a
26 licensed authorized organization or a[~~7~~] licensed commercial
27 lessor[~~7 or the commission~~] may not advertise bingo.

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

5 SECTION 1.055. Section [2001.420](#), Occupations Code, is
6 amended by adding Subsections (b-1), (d), (e), (f), and (g) to read
7 as follows:

8 (b-1) For purposes of Subsections (a) and (b), the value of
9 a merchandise bingo prize is the amount paid for the merchandise by
10 the licensed authorized organization. A merchandise bingo prize
11 includes bingo cards, bingo pull-tabs, the use of a card-minder,
12 bingo daubers, and other bingo merchandise awarded as a prize for
13 winning a bingo game.

14 (d) The commission may adopt for a bingo market region in
15 this state rules that affect the percentage of total receipts
16 derived from the conduct of bingo that is paid by licensed
17 authorized organizations within that market region as prizes for
18 bingo games if the commission determines that the percentages of
19 the total receipts paid for the prizes by the organizations within
20 that market region unreasonably reduce the amount of the
21 organizations' net proceeds in that market region.

22 (e) A rule adopted under Subsection (d):

23 (1) may establish a minimum price charged for a bingo
24 card or pull-tab or for use of a card-minding device;

25 (2) must allow flexibility in compliance with the rule
26 by the licensed authorized organizations within the affected bingo
27 market region to allow the organizations to achieve substantial

1 compliance without undue burden on the organizations or their
2 customers; and

3 (3) must apply equally to each licensed authorized
4 organization operating at a bingo premises within the bingo market
5 region.

6 (f) An individual bingo market region set by the commission
7 must include all the territory in a single county and may include
8 part of the territory in an adjacent county as necessary for the
9 commission to define a bingo market region under Subsection (d).

10 (g) The commission shall annually review the impact of a
11 rule adopted under Subsection (d) on the conduct of bingo within the
12 bingo market region and may amend or repeal the rule if the rule
13 does not serve the purposes of Subsection (d).

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

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

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

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

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

26 (d) An applicant for a unit manager license must file with
27 the department [~~commission~~] a written application on a form

1 prescribed by the executive director [~~commission~~] that includes:

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

3 (2) information regarding whether the applicant, or
4 any officer, director, or employee of the applicant, has been
5 convicted of criminal fraud or a gambling or gambling-related
6 offense; and

7 (3) any other information required by commission rule.

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

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

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

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

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

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

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

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

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

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

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

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

27 (g) The bingo operations of a licensed authorized

1 organization must ~~+~~

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

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

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

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

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

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

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

23 (k) A licensed authorized organization may apply to the
24 department ~~[commission]~~ for a waiver of the requirements of this
25 section and Section 2001.457. The department ~~[commission]~~ may
26 grant the waiver on a showing of good cause by the organization that
27 compliance with this section and Section 2001.457 is detrimental to

1 the organization's existing or planned charitable purposes. An
2 organization applying for a waiver establishes good cause by
3 providing to the department [~~commission~~]:

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

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

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

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

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

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

27 (a-1) Notwithstanding Subsection (a), if the combined gross

1 gaming revenue of the licensed authorized organizations located at
2 a single bingo premises exceeds \$500,000 in a calendar year, the
3 combined net proceeds of those organizations may not be:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (d) The department shall waive or reduce the minimum net

1 proceeds required by this section if:

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

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

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

12 (4) based on an annual department survey of one or more
13 bingo markets, the department determines that legal or illegal
14 gaming in the area of the bingo premises affected the ability of the
15 organizations conducting bingo at that bingo premises to satisfy
16 the minimum net proceeds percentage.

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

23 SECTION 1.062. The heading to Subchapter K, Chapter 2001,
24 Occupations Code, is amended to read as follows:

25 SUBCHAPTER K. TAXES [~~AND PRIZE FEES~~]

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

1 Sec. 2001.502. PRIZE TAX [~~FEF~~]. (a) A licensed authorized
2 organization shall~~+~~

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

7 (1) if a county or municipality in which the bingo game
8 is conducted voted to impose the prize tax before November 1, 2015:

9 [~~+~~ and]

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

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

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

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

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

27 (2) if a county or municipality is not entitled to a

1 percentage of the amount of taxes collected under this subsection,
2 deposit the taxes collected in the general charitable fund of the
3 organization [~~or value of all bingo prizes awarded~~].

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

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

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

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

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

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

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

23 (f) A game exempted under Subsection (b)(4) is subject to
24 the following restrictions:

25 (1) a person licensed or required to be licensed under
26 this chapter or having an interest in a license under this chapter
27 may not be involved, directly or indirectly, in bingo, except that a

1 licensed manufacturer or licensed distributor may sell or otherwise
2 furnish bingo equipment or supplies for use in a game;

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

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

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

15 (A) notify the department [~~commission~~] of:

16 (i) the persons involved in conducting the
17 game;

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

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

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

24 SECTION 1.067. Section 2001.554(a), Occupations Code, is
25 amended to read as follows:

26 (a) A person commits an offense and the person's license is
27 subject to revocation under this chapter if the person:

1 (1) makes a false statement or material omission in an
2 application for a license under this chapter;

3 (2) fails to maintain records that fully and
4 accurately record each transaction connected with the conducting of
5 bingo, the leasing of premises to be used for bingo, or the
6 manufacture, sale, or distribution of bingo supplies or equipment;

7 (3) falsifies or makes a false entry in a book or
8 record if the entry relates to bingo, the disposition of bingo
9 proceeds, the application of rent received by a licensed authorized
10 organization, or the gross gaming revenue [~~receipts~~] from the
11 manufacture, sale, or distribution of bingo supplies or equipment;

12 (4) diverts or pays a portion of the net proceeds of
13 bingo to a person except in furtherance of one or more of the lawful
14 purposes provided by this chapter; or

15 (5) violates this chapter or a term of a license issued
16 under this chapter.

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

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

21 (1) [~~knowingly~~] conducting or participating in bingo
22 under a license obtained by a false pretense, false statement, or
23 material omission made in an application for license or otherwise;
24 or

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

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

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

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

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

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

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

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

19 (B) the compliance history of the premises; and

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

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

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

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

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

11 SECTION 1.071. Section [2001.559](#), Occupations Code, is
12 amended to read as follows:

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

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

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

27 (c-1) The commission by rule shall develop a policy for

1 auditing license holders. The department [~~bingo division~~] shall
2 use audit risk analysis procedures established by the department
3 [~~commission~~] to:

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

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

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

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

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

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

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

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

27 SECTION 1.073. Section [2001.601](#), Occupations Code, is

1 amended to read as follows:

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

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

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

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

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

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

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

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

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

- 6 (1) Section 205.02, Alcoholic Beverage Code;
- 7 (2) [~~Section 2001.507, Occupations Code,~~
- 8 [~~3~~] Section 403.105(d) of this code;
- 9 (3) [~~4~~] Sections 321.501 and 321.504, Tax Code;
- 10 (4) [~~5~~] Sections 322.301 and 322.304, Tax Code; and
- 11 (5) [~~6~~] Sections 323.501 and 323.504, Tax Code.

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

14 Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is
15 subject to Chapter 325 (Texas Sunset Act). Unless continued in
16 existence as provided by that chapter, the commission is abolished
17 and this chapter and [~~7~~] Chapter 466 [~~of this code, and Chapter~~
18 ~~2001, Occupations Code,~~] expire September 1, 2025.

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

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

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

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

1 the commission;

2 (3) is employed by or participates in the management
3 of a business entity or other organization regulated by or
4 receiving funds from the commission;

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

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

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

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

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

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

19 (c) A person may not be a commission employee employed in a
20 "bona fide executive, administrative, or professional capacity,"
21 as that phrase is used for purposes of establishing an exemption to
22 the overtime provisions of the federal Fair Labor Standards Act of
23 1938 (29 U.S.C. Section 201 et seq.), if:

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

27 (2) the person's spouse is an officer, manager, or paid

1 consultant of a Texas trade association in the field of [~~bingo or~~
2 lottery.

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

5 (a) A commission member may not:

6 (1) accept any employment or remuneration from[+
7 [~~(A)~~] a person that has a significant financial
8 interest in the lottery[; ~~or~~

9 [~~(B) a bingo commercial lessor, bingo
10 distributor, or bingo manufacturer~~];

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

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

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

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

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

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

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

3 (a) The commission may not employ or continue to employ a
4 person who owns a financial interest in[+]

5 [~~(1) a bingo commercial lessor, bingo distributor, or~~
6 ~~bingo manufacturer, or~~

7 [~~(2)~~] a lottery sales agency or a lottery operator.

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

10 (a) The commission has broad authority and shall exercise
11 strict control and close supervision over all activities authorized
12 and conducted in this state under[+]

13 [~~(1) Chapter 2001, Occupations Code, and~~

14 [~~(2)~~] Chapter 466 [~~of this code~~].

15 (c) The commission also has the powers and duties granted
16 under[+]

17 [~~(1) Chapter 2001, Occupations Code, and~~

18 [~~(2)~~] Chapter 466 [~~of this code~~].

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

21 (f) The commission shall prepare a report on the trends and
22 issues identified under Subsection (e) and make the report
23 available to the public. The commission shall address the
24 identified trends and issues, including trends and issues related
25 to the regulation of lottery operations under Chapter 466 [~~and of~~
26 ~~bingo under Chapter 2001, Occupations Code~~].

27 SECTION 1.084. (a) Sections 467.021(c) and 467.031,

1 Government Code, are repealed.

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

- 4 (1) Section 2001.051(c);
- 5 (2) Section 2001.052;
- 6 (3) Section 2001.0541;
- 7 (4) Section 2001.058;
- 8 (5) Section 2001.060(b);
- 9 (6) Section 2001.101(b);
- 10 (7) Sections 2001.103(e) and (h);
- 11 (8) Section 2001.157;
- 12 (9) Section 2001.158(d);
- 13 (10) Section 2001.159(c);
- 14 (11) Sections 2001.211(b), (c), and (d);
- 15 (12) Section 2001.213;
- 16 (13) Section 2001.214(b);
- 17 (14) Section 2001.304;
- 18 (15) Section 2001.305;
- 19 (16) Section 2001.308;
- 20 (17) Section 2001.313;
- 21 (18) Section 2001.314;
- 22 (19) Section 2001.351;
- 23 (20) Section 2001.352;
- 24 (21) Section 2001.353(d);
- 25 (22) Section 2001.354;
- 26 (23) Section 2001.355;
- 27 (24) Section 2001.356;

- 1 (25) Section 2001.357;
- 2 (26) Section 2001.358;
- 3 (27) Section 2001.436(c);
- 4 (28) Section 2001.437(f);
- 5 (29) Section 2001.451(b-1);
- 6 (30) Section 2001.459(b);
- 7 (31) Section 2001.501;
- 8 (32) Section 2001.503;
- 9 (33) Sections 2001.504(b), (c), (d), and (e);
- 10 (34) Section 2001.507;
- 11 (35) Section 2001.508;
- 12 (36) Section 2001.509;
- 13 (37) Section 2001.510;
- 14 (38) Section 2001.511;
- 15 (39) Section 2001.512;
- 16 (40) Section 2001.513;
- 17 (41) Section 2001.514;
- 18 (42) Section 2001.515;
- 19 (43) Section 2001.553;
- 20 (44) Section 2001.602;
- 21 (45) Section 2001.603;
- 22 (46) Section 2001.604;
- 23 (47) Section 2001.605;
- 24 (48) Section 2001.606;
- 25 (49) Section 2001.607;
- 26 (50) Section 2001.608;
- 27 (51) Section 2001.609;

1 (52) Section 2001.610; and

2 (53) Section 2001.611.

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

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

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

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

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

24 (4) a complaint, investigation, or other proceeding
25 before the Texas Lottery Commission that is related to Chapter
26 2001, Occupations Code, is transferred without change in status to
27 the Texas Department of Licensing and Regulation, and the Texas

1 Department of Licensing and Regulation assumes, as appropriate and
2 without a change in status, the position of the Texas Lottery
3 Commission in an action or proceeding to which the Texas Lottery
4 Commission is a party;

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

10 (6) all money, contracts, leases, property, and
11 obligations of the Texas Lottery Commission relating to Chapter
12 2001, Occupations Code, are transferred to the Texas Department of
13 Licensing and Regulation; and

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

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

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

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

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

11 (d) Before September 1, 2015, the Texas Lottery Commission
12 may agree with the Texas Department of Licensing and Regulation to
13 transfer any property of the Texas Lottery Commission to the Texas
14 Department of Licensing and Regulation to implement the transfers
15 required by this Act.

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

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

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

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

12 SECTION 1.086. (a) The repeal by this Act of Section
13 2001.553, Occupations Code, does not apply to an offense committed
14 under that section before September 1, 2015. For purposes of this
15 section, an offense is committed before September 1, 2015, if any
16 element of the offense occurs before that date.

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

21 SECTION 1.087. The changes in law made by this Act to
22 Chapter 2001, Occupations Code, apply only to a tax or fee charged
23 on or after September 1, 2015. A tax or fee charged before
24 September 1, 2015, is governed by the law in effect immediately
25 before that date, and the former law is continued in effect for that
26 purpose.

27 SECTION 1.088. (a) The governing body of a county or

1 municipality that was entitled to receive a portion of the prize fee
2 collected under former Section 2001.503, Occupations Code, as that
3 section existed immediately before the effective date of this Act,
4 may only continue receiving a portion of the prize tax collected
5 under Section 2001.502, Occupations Code, as amended by this Act,
6 after the effective date of this Act if the governing body:

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

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

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

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

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

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

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

10 SECTION 2.01. Subchapter E, Chapter 234, Local Government
11 Code, as added by Chapter 1377 (H.B. 1127), Acts of the 83rd
12 Legislature, Regular Session, 2013, is amended by adding Section
13 234.1331 to read as follows:

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

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

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

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

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

3 (4) apply to a location to which this subsection
4 applies in a manner that is different from a location that derives
5 more than 50 percent of its sales from the sale of food or
6 beverages, including alcohol and liquor sales.

7 SECTION 2.02. The following provisions are repealed:

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

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

14 ARTICLE 3. EFFECTIVE DATE

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

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