

By: Thompson of Harris

H.B. No. 2577

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of bingo games; authorizing fee refunds.

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

SECTION 1. Section 2001.057(a), Occupations Code, is amended to read as follows:

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

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

SECTION 2. Subchapter B, Chapter 2001, Occupations Code, is amended by adding Section 2001.062 to read as follows:

Sec. 2001.062. COMMISSION DETERMINATION OF ILLEGAL GAMBLING IN COUNTY. (a) At the request of any person or on its own motion, the commission may determine that:

(1) a place of business located anywhere in a county in which a licensed authorized organization conducts bingo offers patrons of the business the opportunity to engage in gambling in violation of a provision of Chapter 47, Penal Code; and

(2) the conduct described by Subdivision (1) is detrimental to the conduct of charitable bingo by one or more

1 licensed authorized organizations.

2 (b) If the commission makes the determination authorized
3 under Subsection (a), the commission shall notify the comptroller,
4 the county, each licensed authorized organization and unit as
5 defined by Section 2001.431 that conducts bingo in the county, and
6 each municipality located in the county that is entitled to a local
7 share of a prize fee that the state's authority to collect a prize
8 fee under Section 2001.502, and the entitlement to a local share
9 under Section 2001.503, is terminated for all charitable bingo
10 conducted in that county on the 30th day after the date of the
11 notice.

12 (c) A political subdivision that receives notification by
13 the commission under Subsection (b) may provide evidence that the
14 commission's determination under Subsection (a) was made in error
15 because the activity described by Subsection (a)(1) is not
16 occurring in that county or is not occurring to the detriment of
17 charitable bingo as provided by Subsection (a)(2). The commission
18 must receive the evidence from the political subdivision not later
19 than the 30th day after the date the political subdivision receives
20 the notice from the commission under Subsection (b). If, based on
21 evidence provided by a political subdivision, the commission agrees
22 that the determination was made in error, the commission may not
23 terminate the prize fee and shall notify the comptroller, the
24 county, each licensed authorized organization and unit that
25 conducts bingo in the county, and each municipality located in the
26 county that is entitled to a local share of a prize fee of the
27 commission's decision not to terminate the collection of the prize

1 fee.

2 (d) The commission shall determine whether to accept or
3 reject the evidence presented by a political subdivision under
4 Subsection (c) not later than the 30th day after the date the
5 commission receives the evidence. If, after considering the
6 evidence submitted by a political subdivision under Subsection (c),
7 the commission determines to terminate the collection of the prize
8 fee, the commission shall notify each political subdivision that
9 submitted evidence of the termination. Any political subdivision
10 that receives the notice may request an administrative hearing on
11 the matter before the State Office of Administrative Hearings. A
12 request for an administrative hearing under this subsection must be
13 received by the commission not later than the 30th day after the
14 date a political subdivision receives notification under this
15 subsection.

16 (e) A determination by the commission under Subsection (a)
17 becomes final on the 30th day after the commission's determination
18 under that subsection unless the determination is contested as
19 provided by Subsections (c) and (d). On a final decision under
20 Subsection (d) by the administrative law judge upholding the
21 commission's determination to terminate the collection of the prize
22 fee under this section, the commission shall notify the
23 comptroller, the county, each licensed authorized organization and
24 unit that conducts bingo in the county, and each municipality
25 located in the county that is entitled to a local share of a prize
26 fee that the state's authority to collect a prize fee under Section
27 [2001.502](#), and the entitlement to a local share under Section

1 2001.503, is terminated for all charitable bingo conducted in that
2 county on the 30th day after the date of the notice or on another
3 date set by the commission.

4 (f) The commission shall adopt rules as necessary to
5 implement this section. A rule adopted under this subsection may
6 delegate to the director of the charitable bingo operations
7 division the determination authorized by Subsection (a).

8 SECTION 3. Section 2001.103, Occupations Code, is amended
9 by adding Subsection (a-1) to read as follows:

10 (a-1) On request, the commission shall refund to an
11 authorized organization the \$25 temporary license fee submitted
12 under Subsection (a) not later than the 30th day after the date the
13 commission receives the request for the refund, if:

14 (1) the authorized organization does not use the
15 temporary license to conduct bingo before the first anniversary of
16 the date of the license's issuance; or

17 (2) the authorized organization requests withdrawal
18 of the application before the temporary license is issued, except
19 the commission may retain an amount not to exceed 50 percent of the
20 license fee to defray any administrative cost incurred by the
21 commission in processing the application.

22 SECTION 4. Section 2001.104, Occupations Code, is amended
23 by adding Subsection (f) to read as follows:

24 (f) The commission shall refund the fee for an initial or
25 renewal license to conduct bingo if the applicant requests
26 withdrawal of the application before the license is issued or if the
27 commission denies the application, except the commission may retain

1 an amount not to exceed the lesser of 50 percent of the license fee
2 or \$150 to defray any administrative cost incurred by the
3 commission in processing the application. The commission shall
4 issue the refund not later than the 30th day after the date the
5 commission receives the withdrawal request or denies the
6 application.

7 SECTION 5. Section 2001.158, Occupations Code, is amended
8 by adding Subsection (e) to read as follows:

9 (e) The commission shall refund the fee for an initial or
10 renewal commercial lessor license if the applicant requests
11 withdrawal of the application before the license is issued or if the
12 commission denies the application, except the commission may retain
13 an amount not to exceed the lesser of 50 percent of the license fee
14 or \$150 to defray any administrative cost incurred by the
15 commission in processing the application. The commission shall
16 issue the refund not later than the 30th day after the date the
17 commission receives the withdrawal request or denies the
18 application.

19 SECTION 6. Section 2001.205, Occupations Code, is amended
20 by adding Subsection (c) to read as follows:

21 (c) The commission shall refund the fee for an initial or
22 renewal manufacturer's license if the applicant requests
23 withdrawal of the application before the license is issued or if the
24 commission denies the application, except the commission may retain
25 a reasonable amount set by the commission to defray any
26 administrative cost incurred by the commission in processing the
27 application. The commission shall issue the refund not later than

1 the 30th day after the date the commission receives the withdrawal
2 request or denies the application.

3 SECTION 7. Section 2001.209, Occupations Code, is amended
4 by adding Subsection (c) to read as follows:

5 (c) The commission shall refund the fee for an initial or
6 renewal distributor's license if the applicant requests withdrawal
7 of the application before the license is issued or if the commission
8 denies the application, except the commission may retain a
9 reasonable amount set by the commission to defray any
10 administrative cost incurred by the commission in processing the
11 application. The commission shall issue the refund not later than
12 the 30th day after the date the commission receives the withdrawal
13 request or denies the application.

14 SECTION 8. Section 2001.306, Occupations Code, is amended
15 by adding Subsection (f) to read as follows:

16 (f) The commission shall refund the fee for amending a
17 license issued under this chapter if the applicant requests
18 withdrawal of the amendment application before the amended license
19 is issued or if the commission denies the amendment application,
20 except the commission may retain an amount not to exceed 50 percent
21 of the amendment fee to defray any administrative cost incurred by
22 the commission in processing the amendment application. The
23 commission shall issue the refund not later than the 30th day after
24 the date the commission receives the withdrawal request or denies
25 the application.

26 SECTION 9. Section 2001.313, Occupations Code, is amended
27 by adding Subsection (b-3) and amending Subsection (h) to read as

1 follows:

2 (b-3) The commission shall refund the fee submitted under
3 Subsection (b-2) for an initial or renewal registration application
4 if the applicant requests withdrawal of the application before the
5 applicant is listed on the registry or if the commission denies the
6 registration and listing, except the commission may retain an
7 amount not to exceed 50 percent of the registration fee to defray
8 any administrative cost incurred by the commission in processing
9 the application. The commission shall issue the refund not later
10 than the 30th day after the date the commission receives the
11 withdrawal request or denies the application.

12 (h) A licensed authorized organization may employ an
13 individual who is not on the registry established by this section as
14 an operator, manager, cashier, usher, caller, or salesperson on a
15 provisional basis if the individual is awaiting the results of a
16 background check by the commission:

17 (1) for a period not to exceed 14 days, beginning on
18 the date the commission receives the application for the employee
19 to be placed on the registry, if the individual is a resident of
20 this state; or

21 (2) for a period to be established by commission rule
22 if the individual is not a resident of this state.

23 SECTION 10. Section 2001.419, Occupations Code, is amended
24 by adding Subsection (f) to read as follows:

25 (f) If pull-tab bingo tickets are sold by one licensed
26 authorized organization that conducts consecutive bingo occasions
27 during one day, the organization may account for and report all of

1 the pull-tab bingo ticket sales for the occasions as sales for the
2 final occasion.

3 SECTION 11. Section 2001.437, Occupations Code, is amended
4 by adding Subsection (i) to read as follows:

5 (i) The commission shall refund the fee for an initial or
6 renewal unit manager license if the applicant requests withdrawal
7 of the application before the license is issued or if the commission
8 denies the application, except the commission may retain an amount
9 not to exceed the lesser of 50 percent of the license fee or \$150 to
10 defray any administrative cost incurred by the commission in
11 processing the application. The commission shall issue the refund
12 not later than the 30th day after the date the commission receives
13 the withdrawal request or denies the application.

14 SECTION 12. Section 2001.502, Occupations Code, is amended
15 to read as follows:

16 Sec. 2001.502. PRIZE FEE. (a) Except as provided by
17 Subsection (b), a [A] licensed authorized organization shall:

18 (1) collect from a person who wins a bingo prize of
19 more than \$5 a fee in the amount of five percent of the amount or
20 value of the prize; and

21 (2) remit to the commission a fee in the amount of five
22 percent of the amount or value of all bingo prizes of more than \$5
23 awarded.

24 (b) A licensed authorized organization or unit that is
25 notified by the commission under Section 2001.062 that the state's
26 authority to collect a prize fee under this section is terminated as
27 provided by that section shall continue to collect the prize fee.

1 Each prize fee collected under this subsection shall be deposited
2 into the general fund of the licensed authorized organization or
3 unit to be used for the charitable purposes of the organization.

4 SECTION 13. Section 2001.503, Occupations Code, is amended
5 by amending Subsections (a) and (b) and adding Subsection (d) to
6 read as follows:

7 (a) Except as provided by Subsection (c) or (d), a county
8 that imposed a gross receipts tax on the conduct of bingo as of
9 January 1, 1993, is entitled to 50 percent of the fee collected
10 under Section 2001.502 on a prize awarded at a game conducted in the
11 county.

12 (b) Except as provided by Subsection (c) or (d), a
13 municipality that imposed a gross receipts tax on the conduct of
14 bingo as of January 1, 1993, is entitled to 50 percent of the fee
15 collected under Section 2001.502 on a prize awarded at a game
16 conducted in the municipality.

17 (d) A county or municipality to which this section applies
18 is not entitled to a local share of a prize fee after the
19 entitlement to the local share has been terminated by the
20 commission under Section 2001.062.

21 SECTION 14. (a) Chapter 2001, Occupations Code, as amended
22 by this Act, applies only to an application and fee submitted under
23 that chapter on or after the effective date of this Act. An
24 application and fee submitted before the effective date of this Act
25 are governed by the law in effect on the date the application and
26 fee are submitted, and the former law is continued in effect for
27 that purpose.

1 (b) Notwithstanding the effective date of this Act, the
2 change in law made to Section [2001.502](#), Occupations Code, applies
3 to the collection or remittance of a bingo prize fee for a bingo
4 prize awarded on or after October 1, 2017. The collection or
5 remittance of a bingo prize fee for a bingo prize awarded before
6 October 1, 2017, is governed by the law in effect on the date the
7 prize is awarded, and the former law is continued in effect for that
8 purpose.

9 SECTION 15. This Act takes effect September 1, 2017.