

By: Thompson of Harris

H.B. No. 2578

A BILL TO BE ENTITLED

AN ACT

relating to the elimination of fees for licensure under the Bingo Enabling Act.

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

SECTION 1. Subchapter A, Chapter 2001, Occupations Code, is amended by adding Section 2001.003 to read as follows:

Sec. 2001.003. STATE FUNDING FROM BINGO PRIZES. It is the intent of the legislature that the funding necessary for the administration of this chapter by the commission be appropriated to the commission out of money paid to the commission by bingo players as bingo prize fees and transferred to the general revenue fund under Section 2001.507(d).

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

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

SECTION 3. Section 2001.105(a), Occupations Code, is amended to read as follows:

(a) The commission shall issue or renew a license to conduct bingo ~~[on payment of the license fee provided by Section 2001.104]~~ if the commission determines that:

(1) the member or members of the applicant designated

1 in the application to conduct bingo are active members of the
2 applicant;

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

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

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

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

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

19 SECTION 4. Section [2001.154](#), Occupations Code, is amended
20 to read as follows:

21 Sec. 2001.154. INELIGIBLE PERSONS. (a) The commission may
22 not issue a commercial lessor license to or renew a commercial
23 lessor license of:

24 (1) a person convicted of criminal fraud or a gambling
25 or gambling-related offense;

26 (2) a public officer who receives any consideration,
27 direct or indirect, as owner or lessor of premises offered for

conducting bingo;

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

~~(4)]~~ a distributor or manufacturer;

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

(5) ~~(6)]~~ a foreign corporation or other foreign legal entity;

(6) ~~(7)]~~ an individual who is not a resident of this state;

(7) ~~(8)]~~ a corporation or other legal entity owned or controlled by:

(A) a foreign corporation; or

(B) an individual who is not a resident of this state; or

(8) ~~(9)]~~ a corporation or other legal entity:

(A) whose shares are publicly traded; or

(B) owned or controlled by a corporation whose shares are publicly traded.

(b) Subsection (a)(4) ~~[(a)(5)]~~ does not prevent an authorized organization or other person that is not organized for

1 pecuniary profit and no part of the net earnings of which inure to
2 the benefit of an individual, member, or shareholder from being
3 licensed as a commercial lessor solely because a public officer or a
4 person married or related in the first degree by consanguinity or
5 affinity to a public officer is a member of, active in, or employed
6 by the authorized organization or other person.

7 SECTION 5. Sections 2001.159(a) and (c), Occupations Code,
8 are amended to read as follows:

9 (a) The commission shall issue or renew a commercial lessor
10 license if the commission determines that:

11 (1) ~~[the applicant has paid the license fee as~~
12 ~~provided by Section 2001.158,~~

13 ~~[(2)]~~ the applicant qualifies to be licensed under
14 this chapter;

15 (2) ~~[(3)]~~ the rent to be charged is fair and
16 reasonable;

17 (3) ~~[(4)]~~ there is no diversion of the funds of the
18 proposed lessee from the lawful purposes under this chapter;

19 (4) ~~[(5)]~~ the person whose signature or name appears
20 in the application is in all respects the real party in interest and
21 is not an undisclosed agent or trustee for the real party in
22 interest; and

23 (5) ~~[(6)]~~ the applicant will lease the premises for
24 the conduct of bingo in accordance with this chapter.

25 (c) The ~~[Except as provided by Section 2001.158(d), the]~~
26 period may not exceed one year.

27 SECTION 6. Section 2001.304(a), Occupations Code, is

1 amended to read as follows:

2 (a) The commission shall issue a temporary authorization
3 for the activity requested if a license for the activity is not
4 issued or denied before the 31st day after the earliest date on
5 which each of the following has occurred:

6 (1) the filing of an application for the license;

7 (2) ~~[the payment of the proper license fee,~~

8 ~~[(3)]~~ the filing of a copy of a tax exemption statement
9 issued by the Internal Revenue Service under Section 501(c),
10 Internal Revenue Code of 1986, if required; and

11 (3) ~~[(4)]~~ the completion of a criminal background
12 investigation.

13 SECTION 7. Section 2001.306(a), Occupations Code, is
14 amended to read as follows:

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

20 SECTION 8. Section 2001.315(a), Occupations Code, is
21 amended to read as follows:

22 (a) A person who fails to renew the person's license under
23 this chapter before the date the license expires may renew the
24 license after the expiration date by~~[-~~

25 ~~[(1) filing a license renewal application with the~~
26 ~~commission not later than the 14th day after the date the license~~
27 ~~expires, paying the applicable annual license fee, and paying a~~

1 ~~late license renewal fee equal to 10 percent of the annual license~~
2 ~~fee, or~~

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

10 SECTION 9. Section 2001.438(f), Occupations Code, is
11 amended to read as follows:

12 (f) Each licensed authorized organization that is a member
13 of the unit shall be jointly and severally liable for:

14 (1) compliance with the requirements of this
15 subchapter and the rules of the commission relating to the filing of
16 required reports;

17 (2) the maintenance of bingo inventory and financial
18 records; and

19 (3) the payment of ~~[fees and]~~ any penalties imposed for
20 a violation of this subchapter or commission rules related to the
21 operations of the unit.

22 SECTION 10. Section 2001.458(a), Occupations Code, is
23 amended to read as follows:

24 (a) An item of expense may not be incurred or paid in
25 connection with the conduct of bingo except an expense that is
26 reasonable or necessary to conduct bingo, including an expense for:

27 (1) advertising, including the cost of printing bingo

1 gift certificates;

2 (2) security;

3 (3) repairs to premises and equipment;

4 (4) bingo supplies and equipment;

5 (5) prizes;

6 (6) stated rental or mortgage and insurance expenses;

7 (7) bookkeeping, legal, or accounting services
8 related to bingo;

9 (8) fees for bingo chairpersons, operators, managers,
10 salespersons, callers, cashiers, ushers, janitorial services, and
11 utility supplies and services;

12 (9) health insurance or health insurance benefits for
13 bingo chairpersons, operators, managers, salespersons, callers,
14 cashiers, and ushers, as provided by Subsection (b);

15 (10) ~~[license fees,~~

16 ~~[(11)]~~ attending a bingo seminar or convention
17 required under Section 2001.107; and

18 (11) ~~[(12)]~~ debit card transaction fees and electronic
19 funds transfer fees.

20 SECTION 11. Section 2001.459(a), Occupations Code, is
21 amended to read as follows:

22 (a) The following items of expense incurred or paid in
23 connection with the conduct of bingo must be paid from an
24 organization's bingo account:

25 (1) advertising, including the cost of printing bingo
26 gift certificates;

27 (2) security during a bingo occasion;

- 1 (3) the purchase or repair of bingo supplies and
2 equipment;
3 (4) prizes, other than authorized cash prizes;
4 (5) stated rental expenses;
5 (6) bookkeeping, legal, or accounting services;
6 (7) fees for callers, cashiers, and ushers; and
7 (8) janitorial services~~[, and~~
8 ~~[(9) license fees]~~.

9 SECTION 12. Sections 2001.104, 2001.158, 2001.205,
10 2001.209, 2001.214(b), 2001.306(a-1) and (e), 2001.313(b-2), and
11 2001.437(e), Occupations Code, are repealed.

12 SECTION 13. The changes in law made by this Act apply only
13 to the issuance of a license under Chapter 2001, Occupations Code,
14 that occurs on a date on or after the effective date of this Act.
15 The issuance of a license that occurs on a date before the effective
16 date of this Act is governed by the law in effect on the date the
17 license is issued, and the former law is continued in effect for
18 that purpose.

19 SECTION 14. Not later than January 1, 2018, the Texas
20 Lottery Commission shall return to each license holder who paid a
21 license fee under Chapter 2001, Occupations Code, before the
22 effective date of this Act, any portion of the fee attributable to
23 the license holder's period of licensure occurring on or after the
24 effective date of this Act.

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