

By: Lucio III

H.B. No. 3611

Substitute the following for H.B. No. 3611:

By: Kuempel

C.S.H.B. No. 3611

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the termination of the entitlement of the state, a
3 county, and certain municipalities to a share of a bingo prize fee
4 collected in counties where certain illegal gambling occurs to the
5 detriment of charitable bingo.

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

7 SECTION 1. Subchapter B, Chapter 2001, Occupations Code, is
8 amended by adding Section 2001.062 to read as follows:

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

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

16 (2) the conduct described by Subdivision (1) is
17 detrimental to the conduct of charitable bingo by one or more
18 licensed authorized organizations.

19 (b) If the commission makes the determination authorized
20 under Subsection (a), the commission shall notify the comptroller,
21 the county, each licensed authorized organization and unit that
22 conducts bingo in the county, and each municipality located in the
23 county that is entitled to a local share of a prize fee that the
24 state's authority to collect a prize fee under Section 2001.502,

1 and the entitlement to a local share under Section 2001.503, will be
2 terminated for all charitable bingo conducted in that county on the
3 30th day after the date of the notice.

4 (c) A political subdivision that receives notification by
5 the commission under Subsection (b) may provide evidence that the
6 commission's determination under Subsection (a) was made in error
7 because the activity described by Subsection (a)(1) is not
8 occurring in that county or is not occurring to the detriment of
9 charitable bingo as provided by Subsection (a)(2). The commission
10 must receive the evidence from the political subdivision no later
11 than the 30th day after the date the political subdivision receives
12 the notice from the commission under Subsection (b). If, based on
13 evidence provided by a political subdivision, the commission agrees
14 that the determination was made in error, the commission shall not
15 terminate the prize fee and shall notify the comptroller, the
16 county, each licensed authorized organization and unit that
17 conducts bingo in the county, and each municipality located in the
18 county that is entitled to a local share of a prize fee of the
19 commission's decision not to terminate the collection of the prize
20 fee.

21 (d) The commission shall determine whether to accept or
22 reject the evidence presented by a political subdivision under
23 Subsection (c) not later than the 30th day after the date of receipt
24 by the commission of the evidence. If, after considering the
25 evidence submitted by a political subdivision under Subsection (c),
26 the commission determines to terminate the collection of the prize
27 fee, the commission shall notify each political subdivision that

1 submitted evidence, and any political subdivision that receives
2 such notice may request an administrative hearing on the matter
3 before the State Office of Administrative Hearings. A request for
4 an administrative hearing under this subsection must be received by
5 the commission no later than the 30th day after the date a political
6 subdivision receives notification under this subsection.

7 (e) A determination by the commission under Subsection (a)
8 becomes final on the 30th day after the commission's determination
9 under that subsection unless the determination is contested as
10 provided by Subsections (c) and (d). On a final decision under
11 Subsection (d) by the administrative law judge upholding the
12 commission's determination to terminate the collection of the prize
13 fee under this section, the commission shall notify the
14 comptroller, the county, each licensed authorized organization and
15 unit that conducts bingo in the county, and each municipality
16 located in the county that is entitled to a local share of a prize
17 fee that the state's authority to collect a prize fee under Section
18 2001.502, and the entitlement to a local share under Section
19 2001.503, will be terminated for all charitable bingo conducted in
20 that county on the 30th day after the date of the notice or on
21 another date set by the commission.

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

26 SECTION 2. Section 2001.502, Occupations Code, is amended
27 to read as follows:

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

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

6 (2) remit to the commission a fee in the amount of five
7 percent of the amount or value of all bingo prizes awarded.

8 (b) A licensed authorized organization or unit that is
9 notified by the commission under Section 2001.062 that the state's
10 authority to collect a prize fee under this section is terminated as
11 provided by that section shall continue to collect the prize fee.
12 Each prize fee collected under this subsection shall be deposited
13 into the general fund of the licensed authorized organization or
14 unit to be used for the charitable purposes of the organization.

15 SECTION 3. Section 2001.503, Occupations Code, is amended
16 by amending Subsections (a) and (b) and adding Subsection (d) to
17 read as follows:

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

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

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

5 SECTION 4. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2017.