

By: Lucio III

H.B. No. 3611

A BILL TO BE ENTITLED

AN ACT

relating to the suspension of the entitlement of a county and certain municipalities to a local share of a bingo prize fee in counties where certain illegal gambling occurs to the detriment of charitable bingo.

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

SECTION 1. 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) An authorized organization that holds a license to conduct bingo may provide evidence to the commission to establish that:

(1) a place of business located in the county in which the authorized organization conducts bingo offers patrons of the business the opportunity to place bets through a gambling device, as defined by Section 47.01(4), Penal Code, in violation of Chapter 47 of that code; and

(2) the conduct described by Subdivision (1) causes a substantial detriment to charitable bingo conducted in the county.

(b) If the commission determines based on evidence submitted under Subsection (a) that illegal gambling is occurring in a county and is causing a substantial detriment to charitable bingo conducted in that county, the commission shall notify the comptroller, the county, each authorized organization that

1 conducts bingo in the county, and each municipality located in the
2 county that is entitled to a local share of a prize fee that the
3 state's authority to collect a prize fee under Section 2001.502 and
4 the entitlement to a local share under Section 2001.503 are
5 suspended.

6 (c) A county whose entitlement to a local share of a prize
7 fee is suspended under this section may provide evidence to the
8 commission to establish that the commission's determination under
9 Subsection (b) of detrimental illegal gambling in the county was
10 made in error. If, based on evidence provided by the county, the
11 commission agrees the determination was made in error, the
12 commission shall remove the suspension and notify the comptroller,
13 the county, each authorized organization that conducts bingo in the
14 county, and each municipality located in the county that is
15 entitled to a local share of a prize fee of the suspension's
16 removal.

17 (d) If the commission does not remove a suspension under
18 Subsection (c), the county may request an administrative hearing on
19 the matter before the State Office of Administrative Hearings.

20 (e) A suspension of the state's authority to collect a prize
21 fee and the entitlement to a local share of a prize fee continues
22 until removed by the commission based on evidence provided by the
23 county under Subsection (c), or until removed by order of an
24 administrative law judge employed by the State Office of
25 Administrative Hearings or of a court of competent jurisdiction.

26 (f) The commission shall adopt rules as necessary to
27 implement this section.

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

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

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

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

10 (b) A licensed authorized organization that is notified by
11 the commission under Section 2001.062 that the state's authority to
12 collect a prize fee under this section is suspended shall include
13 any prize fee collected under this section in its net proceeds for
14 purposes of Section 2001.454 until the date the commission notifies
15 the organization that the suspension is removed.

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

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

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

1 conducted in the municipality.

2 (d) A county or municipality to which this section applies
3 is not entitled to a local share of a prize fee at any time when the
4 entitlement to the local share is suspended by the commission under
5 Section 2001.062.

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