

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 1, 2017

**TO:** Honorable John Kuempel, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB2578** by Thompson, Senfronia (Relating to the elimination of fees for licensure under the Bingo Enabling Act.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2578, As Introduced: a negative impact of (\$7,870,000) through the biennium ending August 31, 2019.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$3,935,000)
2019	(\$3,935,000)
2020	(\$3,935,000)
2021	(\$3,935,000)
2022	(\$3,935,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2018	(\$3,935,000)
2019	(\$3,935,000)
2020	(\$3,935,000)
2021	(\$3,935,000)
2022	(\$3,935,000)

Fiscal Analysis

The bill would add Section 2001.003, Occupations Code to state that it is the legislature's intent that the state's portion of the bingo prize fee is to be used to fund the administration of Charitable Bingo.

The Occupation Code is amended to remove the required license fees currently collected for the administration of Bingo. Specifically, the following fees are eliminated: application fees for a

temporary license to conduct bingo, license to conduct bingo, commercial lessor license, manufacturer's license, distributor's license, unit manager license, license amendments, and bingo worker registration.

Section 2001.154, Occupation Code is amended to remove as an ineligible person for a commercial lessor license, a person who extends credit to, loans money to, or pays license fees for authorized organization.

No later than January 1, 2018, the Texas Lottery Commission (TLC) must return to each license holder any portion of a fee that covers a period after August 31, 2017.

The bill takes effect September 1, 2017.

### **Methodology**

The fiscal impact is based on the amount of revenue these fees would generate in the *2018-19 Biennial Revenue Estimate*.

TLC estimates that the state's portion of the bingo prize fee, approximately \$15.1 million, would be used to fund Charitable Bingo.

The elimination of fees would result in a reduced amount of revenue collected to cover the cost of Bingo appropriation. Rider 6, Appropriations Limited to Revenue Collections requires fees, fines and other miscellaneous revenues authorized and generated by the operations of charity bingo, cover at a minimum, the cost of the appropriations made for the Bingo Goal included in the General Appropriations Act as well as "other direct and indirect costs" associated with the Goal. In the event that actual revenue collections are insufficient to offset the required elements of the Rider, the Legislative Budget Board may direct the Comptroller of Public Accounts reduce the appropriation authority provided in the General Appropriations Act to be within the amount of revenue expected to be available.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

**LBB Staff:** UP, CL, SD