

## **BILL ANALYSIS**

C.S.H.B. 914  
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Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been noted that bingo is used as a fund-raising tool by organizations across Texas that are authorized to conduct bingo to raise money to support the organization's charitable purposes. Concerns have been raised regarding the costs incurred in conducting bingo that reduce the net proceeds available for those charitable purposes. C.S.H.B. 914 seeks to help increase such proceeds by revising certain statutory provisions relating to the regulation of bingo.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 914 repeals Occupations Code provisions relating to licensing fees under the Bingo Enabling Act applicable to a temporary license to conduct bingo, a license to conduct bingo, an initial and renewal application submitted for inclusion in the registry of approved bingo workers, and an initial or renewal unit manager license.

C.S.H.B. 914 amends the Occupations Code to provide for the collection of a fee on cash bingo prizes by a licensed authorized organization or unit that conducts bingo. Effective September 1, 2019, the bill makes the prize fee inapplicable to a merchandise prize awarded as a prize for winning a bingo game and the use of a card-minding device so awarded. The bill sets out provisions requiring a licensed authorized organization or unit to remit quarterly 50 percent of the amount collected as the prize fee to the Texas Lottery Commission and 50 percent to the county or municipality in which the bingo game is conducted, based on whether the county or municipality voted to impose such a fee before November 1, 2019, or 25 percent to each if both the county and municipality so voted. The bill requires the county or municipality, as applicable, to deposit a certain amount of the fees in the general charitable fund of the organization or on a pro rata basis to the general funds of the organizations comprising a unit. The bill authorizes a county or municipality to vote to discontinue the fee at any time and provides for the disposition of the fee if a county or municipality votes to do so after November 1, 2019.

C.S.H.B. 914 sets out conditions under which the governing body of a county or municipality will receive a portion of the prize fee collected and requires the lottery commission, not later than October 1, 2019, to notify the governing body of a county or municipality of the requirements for continued receipt of the prize fee. Effective September 1, 2019, the bill establishes that the revenue collected by the lottery commission from the prize fee is considered

miscellaneous revenue for purposes of appropriations made to the lottery commission under the General Appropriations Act for the administration of the Bingo Enabling Act and removes the specification that the revenue is deposited to the credit of a special account in the general revenue fund.

C.S.H.B. 914 replaces the requirement that a holder of an authorized organization license or a commercial lessor license send a copy of the license to the appropriate governing body immediately after receiving the license and give written notice of the issuance of the license to certain local authorities by a specified deadline with a requirement that the lottery commission so send and notify after issuing the license. The bill extends the period during which a licensed authorized organization may employ an individual who is not on the approved bingo worker registry if the individual is awaiting the results of a background check by the lottery commission and is a Texas resident from a period not to exceed 14 days to a period not to exceed 30 days. The bill authorizes one or two additional bingo occasions to be held at the same premises at which bingo occasions are conducted under the annual license of one or more licensed authorized organizations, in addition to bingo occasions otherwise authorized at that premises with certain limitations. The bill specifies that bingo cards, pull-tab bingo tickets, and the use of card-minding devices for a bingo occasion may be sold at the licensed premises at any time beginning one hour before the bingo occasion and ending at the conclusion of the bingo occasion. The bill authorizes a licensed authorized organization that sells pull-tab bingo tickets and conducts consecutive bingo occasions during one day to account for and report all of the pull-tab bingo ticket sales for the occasions as sales for the final occasion. The bill extends the deadline by which a licensed authorized organization is required to deposit applicable funds derived from the conduct of bingo in the bingo account, specifies that the bingo operations of a licensed authorized organization must result in net proceeds for the organization's bingo operations, and changes the period for which proceeds are counted to over each 18-month period beginning on the first anniversary of the date the initial license was issued to the organization. The bill sets the same 18-month period for counting the proceeds of bingo operations for a unit beginning on the first anniversary of the date the unit is formed.

C.S.H.B. 914 amends the Government Code to make conforming changes.

C.S.H.B. 914 repeals the following provisions of the Occupations Code:

- Section 2001.103(a-1)
- Section 2001.104
- Section 2001.313(b-3)
- Section 2001.437(i)
- Section 2001.503
- Sections 2001.507(b), (c), (d), (e), (f), (g), (h), and (i)

### **EFFECTIVE DATE**

Except as otherwise provided, January 1, 2020.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 914 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include provisions providing for the collection of a tax on cash bingo prizes and replacing references to a bingo prize fee with references to the prize tax. The substitute does not include provisions relating to the termination of an entitlement to a prize tax share under certain circumstances.

The substitute shortens the changed period for which proceeds of the bingo operations of a licensed authorized organization are counted from over each 24-month period beginning on the first anniversary of the date the organization's initial license was issued to over each 18-month period beginning on that first anniversary.

The substitute includes a provision providing a unit's deposit of 50 percent of a collected prize fee on a pro rata basis to the general funds of the organizations comprising the unit if a county or municipality is not entitled to a percentage of the fees. The substitute includes a provision establishing that the revenue collected by the lottery commission from the prize fee is considered miscellaneous revenue for purposes of appropriations made to the lottery commission under the General Appropriations Act for the administration the Bingo Enabling Act.

The substitute revises certain deadlines associated with a county's or municipality's entitlement to receive a portion of a prize fee.

The substitute changes the effective date of certain provisions of the bill.