

BILL ANALYSIS

Senate Research Center

C.S.H.B. 914
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State Affairs
5/17/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Bingo is used as a fund-raising tool by non-profit organizations authorized to use this as a method to raise money and support the organization's charitable purposes. The costs incurred in conducting bingo related to unnecessary regulations, however, reduce the net proceeds available for those charitable purposes.

H.B. 914 would help increase such proceeds by revising statutory provisions relating to the regulation of bingo. (Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 914 amends current law relating to the regulation of bingo games.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 2001.305(b) and (c), Occupations Code, as follows:

(b) Requires the Texas Lottery Commission (commission), immediately after issuing a license, to send a copy of the license to the appropriate governing body, rather than requiring a license holder, immediately after receiving a license, to send a copy of the license to the appropriate governing body.

(c) Requires the commission, rather than the license holder, not later than the 10th day after the date a license is issued, to give written notice of the issuance of the license to certain persons and entities.

SECTION 2. Amends Section 2001.313(h), Occupations Code, as follows:

(h) Authorizes a licensed authorized organization to employ an individual who is not on the registry established by this section (Registry of Approved Bingo Workers) as an operator, manager, cashier, usher, caller, or salesperson on a provisional basis if the individual is awaiting the results of a background check by the commission:

(1) for a period not to exceed 30 days, rather than 14 days, if the individual is a resident of this state; or

(2) makes no changes to this subdivision.

SECTION 3. Amends Section 2001.419, Occupations Code, by amending Subsections (d) and (e) and adding Subsection (f), as follows:

(d) Provides that, if more than one bingo occasion is conducted at the same premises on the same day:

(1) and (2) makes no changes to these subdivisions;

(3) notwithstanding Subsection (e), bingo cards are authorized to be sold during a bingo occasion for play during a subsequent bingo occasion that is scheduled to begin at the same premises in not more than eight hours after the sale of cards for the subsequent occasion begins.

(e) Authorizes bingo cards, pull-tab bingo tickets, and the use of card-minding devices for a bingo occasion to 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, rather than authorizing bingo paper for a bingo occasion may be sold at the licensed premises before the bingo occasion begins.

(f) Authorizes the organization, if pull-tab bingo tickets are sold by one licensed authorized organization that 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.

SECTION 4. Amends Section 2001.451(b), Occupations Code, as follows:

(b) Creates an exception under Section 2001.502(a) to the requirement that a licensed authorized organization deposit in the bingo account all funds derived from the conduct of bingo, less the amount awarded as cash prizes under Sections 2001.420(a) (relating to prohibiting a bingo prize from exceeding \$750) and (b) (relating to prohibiting single bingo occasion prizes with an aggregate value of more than \$2,500). Requires a deposit, except as provided by Subsection (b-1) (relating to procedures regarding debit card transactions), to be made not later than the third business day, rather than the second business day after the day of the bingo occasion on which the receipts were obtained.

SECTION 5. Amends Section 2001.502, Occupations Code, as follows:

Sec. 2001.502. PRIZE FEE. (a) Creates this subsection from existing text. Requires a licensed authorized organization or unit as defined by Section 2001.431 (Definitions) to:

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

(2) except as otherwise provided by this section, remit to the commission the amount of the fee collected under Subdivision (1), rather than remit to the commission a fee in the amount of five percent of the amount or value of all bingo prizes of more than \$5 awarded.

(b) Requires the licensed authorized organization or unit that collects a prize fee under Subsection (a) for a bingo game conducted in a county or municipality that was entitled to receive a portion of a bingo prize fee as of January 1, 2019, notwithstanding Subsection (a)(2), each quarter, to remit 50 percent of the amount collected as the prize fee to the commission and:

(1) if the county or municipality in which the bingo game is conducted voted before November 1, 2019, to impose the prize fee, remit 50 percent of the amount collected as the prize fee to:

(A) the county that voted to impose the fee by that date, provided the location at which bingo is conducted is not within the boundaries of a municipality that voted to impose the prize fee by that date;

(B) the municipality that voted to impose the fee by that date, provided the county in which the bingo game is conducted did not vote to impose the fee by that date; or

(C) in equal shares, the county and the municipality provided each voted to impose the fee before that date; or

(2) if neither the county or municipality in which the bingo game is conducted voted before November 1, 2019, to impose the prize fee, deposit the remainder of the amount collected as the prize fee in the general charitable fund of the organization or on a pro rata basis to the general funds of the organizations comprising the unit, as applicable, to be used for the charitable purposes of the organization or organizations.

(c) Authorizes the governing body of a county or municipality that voted to impose a prize fee under Subsection (b)(1) to at any time vote to discontinue the imposition of the fee. Requires the fees to which the county or municipality, as applicable, was entitled before the vote, if a county or municipality votes after November 1, 2019, to discontinue the fee, to be collected by the licensed authorized organization or unit as defined by Section 2001.431 and deposited as provided by Subsection (b)(2).

(d) Provides that a fee collected under Subsection (a) does not apply to:

(1) a merchandise prize awarded as a prize for winning a bingo game, including a bingo card, a pull-tab bingo ticket, a bingo dauber, or other bingo merchandise; or

(2) the use of a card-minding device awarded as a prize for winning a bingo game.

SECTION 6. Amends Section 2001.504(a), Occupations Code, as follows:

(a) Provides that a fee on prizes authorized or imposed under this subchapter (Prize Fees) is due and is payable by the license holder or a person conducting bingo without a license to the commission and county or municipality, as applicable, rather than the commission, quarterly on or before the 25th day of the month succeeding each calendar quarter.

SECTION 7. Amends The heading to Section 2001.507, Occupations Code, to read as follows:

Sec. 2001.507. COLLECTION AND DEPOSIT OF PRIZE FEE.

SECTION 8. Amends Section 2001.507, Occupations Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires the commission to deposit the revenue collected from the fee on prizes imposed by Section 2001.502 to the credit of the general revenue fund, rather than to the credit of a special account in the general revenue fund.

(a-1) Provides that the revenue collected by the commission from the fee on prizes imposed by Section 2001.502 is considered miscellaneous revenue for purposes of appropriations made to the commission under the General Appropriations Act for the administration of this chapter.

SECTION 9. Amends Section 404.073(c), Government Code, to delete text providing that this subsection (relating to providing that allocation or distribution to certain political subdivisions interest that has been and that will be accrued or earned from deposits made under certain laws is not subject to allocation or distribution to certain political subdivisions) applies to Section 2001.507, Occupations Code, and to make nonsubstantive changes.

SECTION 10. Repealer: Section 2001.103(a-1) (relating to requiring the commission to refund to an authorized organization the \$25 temporary license fee under certain conditions), Occupations Code.

Repealer: Section 2001.104 (License Fees), Occupations Code.

Repealer: Section 2001.313(b-3) (relating to the commission refunding certain fees on request), Occupations Code.

Repealer: Section 2001.437(i) (relating to the commission refunding certain fees on request), Occupations Code.

Repealer: Section 2001.503 (Local Share of Prize Fee), Occupations Code.

Repealer: Section 2001.507(b) (relating to the commission determining the total amount of revenue deposited in the account from prizes awarded at games in a county or municipality entitled to a share), Occupations Code.

Repealer: Section 2001.507(c) (relating to the commission sending a county or municipality their share of the fee on prizes), Occupations Code.

Repealer: Section 2001.507(d) (relating to the commission sending any remaining amounts to the general revenue fund), Occupations Code.

Repealer: Section 2001.507(e) (relating to the commission transmitting a jurisdiction's share of the fee on prizes to certain persons), Occupations Code.

Repealer: Section 2001.507(f) (relating to the commission retaining in a jurisdiction's suspense account a portion of the jurisdiction's share of the fee on prizes collected), Occupations Code.

Repealer: Section 2001.507(g) (relating to the commission retaining certain amounts in the suspense account of certain jurisdictions), Occupations Code.

Repealer: Section 2001.507(h) (relating to interest earned on all fees and prizes collected by the commission to be credited to the general revenue fund), Occupations Code.

Repealer: Section 2001.507(i) (relating to the commission reducing the amount of each local share of a fee to each county or municipality in a certain manner), Occupations Code.

SECTION 11. (a) Authorizes a county or municipality to receive a portion of the prize fee collected under Section 2001.502, Occupations Code, as amended by this Act, after the effective date of this Act only if:

(1) the county or municipality was entitled to receive a portion of a bingo prize fee as of January 1, 2019; and

(2) the governing body of the county or municipality:

(A) by majority vote of the members of the governing body approves the continued receipt of funds under that section and notifies the commission of that decision not later than November 1, 2019; and

(B) notifies each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.

(b) Requires the commission, not later than October 1, 2019, to notify the governing body of a county or municipality that was entitled to receive a portion of the prize fee collected

under Section 2001.502, Occupations Code, as that section existed immediately before the effective date of this Act, of the requirements for continued receipt of the prize fee under that section as provided in Subsection (a) of this section.

SECTION 12. Makes application of Section 2001.305, Occupations Code, as amended by this Act, prospective.

SECTION 13. (a) Effective date, except as otherwise provided by Subsection (b) of this section: January 1, 2020.

(b) Effective date, Section 2001.502(c), Occupations Code, as added by this Act, Section 2001.507(a), Occupations Code, as amended by this Act, and Section 2001.507(a-1), Occupations Code, as added by this Act: September 1, 2019.