87R8918 TYPED

By:  Thompson of Harris H.B. No. 2204

A BILL TO BE ENTITLED

AN ACT

relating to charitable bingo.

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

SECTION 1.  Amend Section 2001.002(19), Occupations Code, to read as follows:

(19)  "Nonprofit organization" means an unincorporated association or a corporation that is incorporated or holds a certificate of authority under Chapter 22, Business Organizations Code [~~the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)~~]. The organization:

(A)  may not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services; and

(B)  must have obtained tax exempt status under Section 501(c), Internal Revenue Code of 1986.

SECTION 2.  Amend Section 2001.103, Occupations Code, by amending Subsections (e) and (f) and adding Subsection (i) to read as follows:

(e)  Notwithstanding Subsection (c), an authorized organization that holds an annual license to conduct bingo may receive not more than 48 [~~24~~] temporary licenses during the 12-month period following the issuance or renewal of the license. The holder of a license that is effective for two years may receive not more than 48 [~~24~~] temporary licenses for each 12-month period that ends on an anniversary of the date the license was issued or renewed.

(f)  An authorized organization that holds a regular license to conduct bingo may apply for all or any portion of the total number of temporary licenses to which the organization is entitled under Subsection (e) in one application without stating the days or times for which the organization will use the temporary licenses. The commission shall provide for the electronic issuance on demand of all of the temporary licenses requested.

(i)(1)  The commission shall provide for the electronic issuance of all the temporary licenses requested by an annual license holder as soon as practicable following approval of the application.

(2)  The commission is not required to notify a municipality or county of the issuance of a temporary license to a non-annual license holder.

SECTION 3.  Section 2001.413, Occupations Code, is amended to read as follows:

Sec. 2001.413.  [~~ADMISSION CHARGE~~] PAYMENT REQUIRED. Except as provided by Section 2001.4155, a licensed authorized organization may not offer or provide to a person the opportunity to play bingo without payment [~~charge~~].

SECTION 4.  Amend Sections 2001.416(a) and (d), Occupations Code, to read as follows:

(a)  [~~A~~] Except as provided by Subsection (d), a game of chance other than bingo or a raffle conducted under Chapter 2002 may not be conducted or allowed during a bingo occasion.

(d)  This section does not prohibit the exhibition and play of:

(1)  an amusement machine that is not a gambling device as defined by Section 47.01, Penal Code; or

(2)  any other game of chance that is conducted lawfully and is not specifically prohibited to be conducted during a bingo occasion.

SECTION 5.  Section 2001.420, Occupations Code, is amended to read as follows:

Sec. 2001.420.  PRIZES. (a) [~~A bingo prize may not have a value of more than $750 for a single game.~~]

[~~(b)~~]  A person may not offer or award on a single bingo occasion prizes with an aggregate value of more than $3500 [~~$2,500~~] for all bingo games other than:

(1)  pull-tab bingo; or

(2)  bingo games that award individual prizes of $50 or less.

[~~(c)~~] (b)  A licensed authorized organization or other person may not award or offer to award a door prize with a value of more than $250.

[~~(d)~~] (c)  Notwithstanding any other law, a licensed authorized organization may offer and award as a bingo prize under this chapter a ticket for a charitable raffle conducted under Chapter 2002. The bingo prize amount is the cost to purchase the ticket to enter the charitable raffle for purposes of this chapter.

SECTION 6.  Amend Section 2001.435(b), Occupations Code, to read as follows:

(b)  Each member of a unit shall deposit into the unit's bingo account all funds derived from the conduct of bingo, less the amount awarded as cash prizes under Sections 2001.420(a) and (b). The deposit shall be made not later than the [~~second~~] third business day after the day of the bingo occasion on which the receipts were obtained.

SECTION 7.  Amend Sections 2001.451(g) and (i), Occupations Code, to read as follows:

(g)  The bingo operations of a licensed authorized organization must[~~:~~

[~~(1) result in net proceeds over the organization's license period; or~~

~~(2)  if the organization has a two-year license,~~] result in net proceeds over each [~~12-month~~] 24-month period that ends on the [~~an~~] anniversary of the date the [~~two-year~~] license was issued.

(i)  Prize fees held in escrow for remittance to the commission and local governments, and prize fees retained by a licensed authorized organization, are not included in the calculation of operating capital under Subsection (h).

SECTION 8.  Amend Section 2001.459(b), Occupations Code, to read as follows:

(b)  Payment for a service under Subsection (a)(8) [~~(a)(10)~~] may be paid from an organization's gross receipts.

SECTION 9.  Amend Sections 2001.502(b) and (c), Occupations Code, to read as follows:

(b)  Notwithstanding Subsection (a)(2), each quarter, a 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, shall remit 50 percent of the amount collected as the prize fee to the commission and:

(1)  remit 50 percent of the amount collected as the prize fee to the county if the location at which the bingo game is conducted is not within the boundaries of a municipality and the county voted to impose the prize fee by November 1, 2019; [~~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 the bingo game 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)  remit 25 percent of the amount collected as the prize fee to the county if the bingo game is conducted within the boundaries of a municipality and the county voted to impose the prize fee by November 1, 2019; [~~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~~]

(3)  remit 25 percent of the amount collected as the prize fee to the municipality if the bingo game is conducted within the boundaries of a municipality that voted to impose the prize fee by November 1, 2019; and

(4)  deposit any remaining 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)  The governing body of a county or municipality that voted to impose a prize fee under Subsection (b) [~~(b)(1)~~] may at any time vote to discontinue the imposition of the fee. If a county or municipality votes on or after November 1, 2019, to discontinue the fee, the fees to which the county or municipality, as applicable, was entitled before the vote shall be collected by the licensed authorized organization or unit as defined by Section 2001.431 and deposited as provided by Subsection (b)(4) [~~(b)(2)~~].

SECTION 10.  Amend Section 2001.513(a), Occupations Code, to read as follows:

(a)  At any time within three years after a person is delinquent in the payment of an amount of the fee on prizes due the commission, the commission may collect the amount under this section.

SECTION 11.  2001.514(a), Occupations Code, is amended to read as follows:

(a)  To secure payment of the fee on prizes due the commission imposed under this subchapter, each license holder shall furnish to the commission:

(1)  a cash bond;

(2)  a bond from a surety company chartered or authorized to do business in this state;

(3)  certificates of deposit;

(4)  certificates of savings;

(5)  United States treasury bonds;

(6)  subject to the approval of the commission, an assignment of negotiable stocks or bonds; or

(7)  other security as the commission considers sufficient.

SECTION 12.  Amend Section 2001.515, Occupations Code, to read as follows:

Sec. 2001.515.  COMMISSION'S DUTIES. The commission shall perform all functions incident to the administration, collection, enforcement, and operation of the fee on prizes due the commission imposed under this subchapter, including any necessary reconciliation of prize fees held by the commission that are due to municipalities or counties.

SECTION 13.  (a) This Act takes effect September 1, 2021.

(b)  The commission shall adopt such rules as may be needed to administer the provisions of this Act to be effective no later than January 1, 2022.