

By: Thompson of Harris

H.B. No. 2204

Substitute the following for H.B. No. 2204:

By: Hernandez

C.S.H.B. No. 2204

A BILL TO BE ENTITLED

AN ACT

relating to the conduct of charitable bingo.

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

SECTION 1. Section 2001.002(19), Occupations Code, is amended 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. Section 2001.103, Occupations Code, is amended by amending Subsection (e) and adding Subsections (f-1) and (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

1 that ends on an anniversary of the date the license was issued or  
2 renewed.

3 (f-1) The commission shall provide for the on-demand  
4 electronic issuance of a temporary license requested under this  
5 section by the holder of a regular license.

6 (i) The notice requirements of Sections 2001.305(b) and (c)  
7 do not apply to a temporary license issued to the holder of a  
8 regular license.

9 SECTION 3. Sections 2001.305(b) and (c), Occupations Code,  
10 are amended to read as follows:

11 (b) Except as provided by Section 2001.103(i), immediately  
12 [Immediately] after issuing a license, the commission shall send a  
13 copy of the license to the appropriate governing body. The  
14 governing body shall file the copy of the license in a central file  
15 containing licenses issued under this chapter.

16 (c) Except as provided by Section 2001.103(i), not [Not]  
17 later than the 10th day after the date a license is issued, the  
18 commission shall give written notice of the issuance of the license  
19 to:

20 (1) the police department of the municipality in which  
21 bingo will be conducted, if bingo is to be conducted in a  
22 municipality; or

23 (2) the sheriff of the county in which bingo will be  
24 conducted, if bingo is to be conducted outside a municipality.

25 SECTION 4. Section 2001.413, Occupations Code, is amended  
26 to read as follows:

27 Sec. 2001.413. PAYMENT [~~ADMISSION CHARGE~~] REQUIRED. Except

1 as provided by Section 2001.4155, a licensed authorized  
2 organization may not offer or provide to a person the opportunity to  
3 play bingo without payment [~~charge~~].

4 SECTION 5. Section 2001.416, Occupations Code, is amended  
5 by amending Subsection (a) and adding Subsection (e) to read as  
6 follows:

7 (a) Except as provided by Subsections (d) and (e), a [A]  
8 game of chance other than bingo or a raffle conducted under Chapter  
9 2002 may not be conducted or allowed during a bingo occasion.

10 (e) This section does not prohibit:

11 (1) the lawful conduct during a bingo occasion of a  
12 game of chance other than bingo or a raffle conducted under Chapter  
13 2002, if the exhibition and play of that game is authorized under  
14 state law and the conduct of the game during a bingo occasion or at a  
15 premises where bingo occasions are conducted does not violate that  
16 state law; or

17 (2) a person participating in a bingo game from  
18 simultaneously lawfully participating through the person's mobile  
19 device in a game of chance authorized under state law.

20 SECTION 6. Section 2001.420(b), Occupations Code, is  
21 amended to read as follows:

22 (b) A person may not offer or award on a single bingo  
23 occasion prizes with an aggregate value of more than \$3,500  
24 [~~\$2,500~~] for all bingo games other than:

25 (1) pull-tab bingo; or

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

1 SECTION 7. Section 2001.435(b), Occupations Code, is  
2 amended to read as follows:

3 (b) Each member of a unit shall deposit into the unit's  
4 bingo account all funds derived from the conduct of bingo, less the  
5 amount awarded as cash prizes under Section 2001.420(b) [~~Sections~~  
6 ~~2001.420(a) and (b)~~]. The deposit shall be made not later than the  
7 third [~~second~~] business day after the day of the bingo occasion on  
8 which the receipts were obtained.

9 SECTION 8. Sections 2001.451(b), (g), and (i), Occupations  
10 Code, are amended to read as follows:

11 (b) Except as provided by Section 2001.502(a), a licensed  
12 authorized organization shall deposit in the bingo account all  
13 funds derived from the conduct of bingo, less the amount awarded as  
14 cash prizes under Section 2001.420(b) [~~Sections 2001.420(a) and~~  
15 ~~(b)~~]. Except as provided by Subsection (b-1), a deposit must be  
16 made not later than the third business day after the day of the  
17 bingo occasion on which the receipts were obtained.

18 (g) The bingo operations of a licensed authorized  
19 organization must [+

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

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

26 (i) Prize fees [~~held in escrow for remittance to the~~  
27 ~~commission~~] are not included in the calculation of operating

1 capital under Subsection (h) if the prize fees are:

2 (1) held in escrow for remittance to:

3 (A) the commission; or

4 (B) a local government; or

5 (2) retained by a licensed authorized organization.

6 SECTION 9. Sections 2001.502(b) and (c), Occupations Code,  
7 are amended to read as follows:

8 (b) Notwithstanding Subsection (a)(2), each quarter, a  
9 licensed authorized organization or unit that collects a prize fee  
10 under Subsection (a) for a bingo game conducted in a county or  
11 municipality that was entitled to receive a portion of a bingo prize  
12 fee as of January 1, 2019, shall remit 50 percent of the amount  
13 collected as the prize fee to the commission and shall remit or  
14 deposit the remainder of the amount collected as the prize fee as  
15 follows:

16 (1) if the county [~~or municipality~~] in which the bingo  
17 game is conducted voted before November 1, 2019, to impose the prize  
18 fee and [~~remits 50 percent of the amount collected as the prize fee~~  
19 ~~to:~~

20 [~~(A) the county that voted to impose the fee by~~  
21 ~~that date, provided~~] the location at which the bingo game is  
22 conducted:

23 (A) is not within the boundaries of a  
24 municipality, remit 50 percent of the amount collected as the prize  
25 fee to the county [~~that voted to impose the prize fee by that date~~];  
26 or

27 (B) is within the boundaries of a [~~the~~]

1 municipality that:

2 (i) voted before November 1, 2019, to  
3 impose the prize fee, remit 50 percent of the amount collected as  
4 the prize fee in equal shares to the county and municipality [~~by~~  
5 ~~that date, provided the county in which the bingo game is conducted~~  
6 ~~did not vote to impose the fee by that date~~]; or

7 (ii) did not vote before November 1, 2019,  
8 to impose the prize fee, remit 25 percent of the amount collected as  
9 the prize fee to the county and deposit the remaining amount in the  
10 manner described by Subdivision (3);

11 [~~(C) in equal shares, the county and the~~  
12 ~~municipality, provided each voted to impose the fee before that~~  
13 ~~date, or]~~

14 (2) if the county in which the bingo game is conducted  
15 did not vote before November 1, 2019, to impose the prize fee and  
16 the location at which the bingo game is conducted is within the  
17 boundaries of a municipality that voted before November 1, 2019, to  
18 impose the prize fee:

19 (A) remit 25 percent of the amount collected as  
20 the prize fee to the municipality; and

21 (B) deposit the remaining amount in the manner  
22 described by Subdivision (3); and

23 (3) if neither the county or municipality in which the  
24 bingo game is conducted voted before November 1, 2019, to impose the  
25 prize fee, deposit the remainder of the amount collected as the  
26 prize fee in the general charitable fund of the organization or on a  
27 pro rata basis to the general funds of the organizations comprising

1 the unit, as applicable, to be used for the charitable purposes of  
2 the organization or organizations.

3 (c) The governing body of a county or municipality that  
4 voted to impose a prize fee under Subsection (b) [~~(b)(1)~~] may at any  
5 time vote to discontinue the imposition of the fee. If a county or  
6 municipality votes on or after November 1, 2019, to discontinue the  
7 fee, the fees to which the county or municipality, as applicable,  
8 was entitled before the vote shall be collected by the licensed  
9 authorized organization or unit as defined by Section 2001.431 and  
10 deposited as provided by Subsection (b)(3) [~~(b)(2)~~].

11 SECTION 10. Section 2001.513(a), Occupations Code, is  
12 amended to read as follows:

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

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

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

- 22 (1) a cash bond;
- 23 (2) a bond from a surety company chartered or  
24 authorized to do business in this state;
- 25 (3) certificates of deposit;
- 26 (4) certificates of savings;
- 27 (5) United States treasury bonds;

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

3           (7) other security as the commission considers  
4 sufficient.

5           SECTION 12. Section 2001.515, Occupations Code, is amended  
6 to read as follows:

7           Sec. 2001.515. COMMISSION'S DUTIES. The commission shall  
8 perform all functions incident to the administration, collection,  
9 enforcement, and operation of the fee on prizes due to the  
10 commission imposed under this subchapter.

11           SECTION 13. Sections 2001.420(a) and 2001.459(b),  
12 Occupations Code, are repealed.

13           SECTION 14. Notwithstanding any other law, if an executive  
14 order issued by the governor before the effective date of this Act  
15 had the effect of prohibiting the conduct of bingo occasions under  
16 Chapter 2001, Occupations Code, the payment at any time by a  
17 licensed authorized organization to a licensed commercial lessor of  
18 rent charges that were incurred but not paid during the period in  
19 which the conduct of bingo was prohibited are not subject to:

20           (1) the limits on rent charged provided by Section  
21 2001.406(a), Occupations Code; or

22           (2) the requirement that an item of expense for the  
23 conduct of bingo be reasonable or necessary provided by Section  
24 2001.458(a), Occupations Code.

25           SECTION 15. Not later than January 1, 2022, the Texas  
26 Lottery Commission shall adopt the rules necessary to implement the  
27 changes in law made by this Act to Chapter 2001, Occupations Code.



1 SECTION 16. This Act takes effect September 1, 2021.