

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (1) pull-tab bingo; or

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

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

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

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

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

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

9 (g) The bingo operations of a licensed authorized
10 organization must [+

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

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

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

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

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

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

27 (b) Notwithstanding Subsection (a)(2), each quarter, a

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

6 (1) remit 50 percent of the amount collected as the
7 prize fee to the county if the location at which the bingo game is
8 conducted is not within the boundaries of a municipality and the
9 county voted to impose the prize fee by November 1, 2019; [~~if the~~
10 ~~county or municipality in which the bingo game is conducted voted~~
11 ~~before November 1, 2019, to impose the prize fee, remit 50 percent~~
12 ~~of the amount collected as the prize fee to:~~

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

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

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

23 (2) remit 25 percent of the amount collected as the
24 prize fee to the county if the bingo game is conducted within the
25 boundaries of a municipality and the county voted to impose the
26 prize fee by November 1, 2019; [~~if neither the county or~~
27 ~~municipality in which the bingo game is conducted voted before~~

1 ~~November 1, 2019, to impose the prize fee, deposit the remainder of~~
2 ~~the amount collected as the prize fee in the general charitable fund~~
3 ~~of the organization or on a pro rata basis to the general funds of~~
4 ~~the organizations comprising the unit, as applicable, to be used~~
5 ~~for the charitable purposes of the organization or organizations]~~

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

10 (4) deposit any remaining amount collected as the
11 prize fee in the general charitable fund of the organization or on a
12 pro rata basis to the general funds of the organizations comprising
13 the unit, as applicable, to be used for the charitable purposes of
14 the organization or organizations.

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

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

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

1 section.

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

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

7 (1) a cash bond;

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

10 (3) certificates of deposit;

11 (4) certificates of savings;

12 (5) United States treasury bonds;

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

15 (7) other security as the commission considers
16 sufficient.

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

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

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

26 (b) The commission shall adopt such rules as may be needed
27 to administer the provisions of this Act to be effective no later

H.B. No. 2204

1 than January 1, 2022.