

## **BILL ANALYSIS**

Senate Research Center  
89R22088 BEE-D

C.S.S.B. 1721  
By: Middleton; Hall  
State Affairs  
4/9/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Charitable bingo has long served as an essential fundraising tool for many nonprofit organizations in Texas, supporting a variety of charitable initiatives. Currently, the Texas Lottery Commission (TLC) is responsible for the licensing, compliance, and regulation of charitable bingo operations. However, concerns have been raised regarding the adequacy of oversight within TLC, particularly its ability to dedicate sufficient resources and attention to ensuring fair and responsible bingo operations. Testimony before the Sunset Advisory Commission and various legislative committees has highlighted the need to provide charitable bingo with more specialized attention. The Texas Department of Licensing and Regulation (TDLR), which already oversees a wide range of professional and business licenses, provides a more suitable structure for administering charitable bingo regulations efficiently and consistently.

S.B. 1721 transfers the licensing and regulation of charitable bingo from TLC to TDLR. By consolidating oversight under TDLR, the bill aims to improve regulatory efficiency, ensure uniform compliance across licensed operations, and enhance enforcement mechanisms. Under S.B. 1721, existing charitable bingo licenses and operational structures will remain intact, minimizing disruption to organizations that rely on bingo for fundraising. Ultimately, this legislation ensures that charitable bingo continues to be a well-regulated and sustainable fundraising tool for Texas communities.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1721 amends current law relating to the transfer of the licensing and regulation of charitable bingo to the Texas Commission of Licensing and Regulation.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 46 (Section 2001.314, Occupations Code) and SECTION 69 (Section 2001.514, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Lottery Commission is transferred and modified in SECTION 71 (Section 2001.551, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Lottery Commission is rescinded in SECTION 72 (Section 2001.557, Occupations Code) and SECTION 80 (Sections 2001.0541, 2001.061, 2001.353 and 2001.358, Occupations Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 411.093(a), Government Code, as follows:

(a) Entitles the Texas Department of Licensing and Regulation (TDLR) to obtain criminal history record information as provided by Subsection (b) (relating to certain TDLR entitlements) that relates to:

(1) makes no changes to this subdivision;

(2)-(3) makes nonsubstantive changes to these subdivisions; and

(4) a person who:

(A) is an applicant for or the holder of a license under Chapter 2001 (Bingo), Occupations Code; or

(B) has an interest described under Section 2001.3025(e) (relating to the requirement that certain individuals with certain relationships to an entity applying for a license submit fingerprints), Occupations Code, in an entity described by Paragraph (A).

SECTION 2. Amends Section 411.108(a-2), Government Code, as follows:

(a-2) Entitles the Texas Lottery Commission (TLC), subject to certain provisions, rather than certain provisions of the Government Code and Section 2001.3025 (Access to Criminal History Record Information), Occupations Code, and consistent with the public policy of this state, to:

(1) obtain through the Federal Bureau of Investigation criminal history record information maintained or indexed by that bureau that pertains to a person described by Subsection (a) (relating to TLC's entitlement to obtain criminal history record information of certain persons), rather than Subsection (a) or (a-1) (relating to TLC's entitlement to obtain criminal history record information of certain licensed persons); and

(2) makes a conforming change to this subdivision.

SECTION 3. Amends Sections 466.002(2) and (3), Government Code, to redefine "director" and "division."

SECTION 4. Amends Section 467.002, Government Code, as follows:

Sec. 467.002. APPLICATION OF SUNSET ACT. Provides that, unless continued in existence as provided by Chapter 325 (Texas Sunset Act), TLC is abolished and Chapter 467 (Texas Lottery Commission) and Chapter 466 (State Lottery), rather than Chapter 466 of this code and Chapter 2001, Occupations Code, expire September 1, 2025. Makes nonsubstantive changes.

SECTION 5. Amends Sections 467.024(a) and (c), Government Code, as follows:

(a) Provides that an individual is not eligible to be an appointed member of TLC if the individual meets certain criteria, including is registered, certified, or licensed by a regulatory agency in the field of lottery, rather than bingo or lottery or is an officer, employee, or paid consultant of a Texas trade association in the field of lottery, rather than bingo or lottery.

(c) Makes conforming changes to this subsection.

SECTION 6. Amends Section 467.025(a), Government Code, as follows:

(a) Prohibits a TLC member from certain activities, including accepting any employment or remuneration from a person that has a significant financial interest in the lottery, rather than a significant financial interest in the lottery or a bingo commercial lessor, bingo distributor, or bingo manufacturer. Makes conforming changes.

SECTION 7. Amends Section 467.035(a), Government Code, to make conforming changes.

SECTION 8. Amends Sections 467.101(a) and (c), Government Code, to make conforming changes.

SECTION 9. Amends Section 467.111(f), Government Code, as follows:

(f) Requires TLC to address the identified trends and issues, including trends and issues related to the regulation of lottery operations under Chapter 466, rather than of lottery operations under Chapter 466 and of bingo under Chapter 2001, Occupations Code.

SECTION 10. Amends Section 572.003(b), Government Code, to redefine "appointed officer of a major state agency."

SECTION 11. Amends Section 2001.002, Occupations Code, by amending Subdivisions (8) and (25-a) and adding Subdivision (8-a), to redefine "commission" and "regular license" and define "department."

SECTION 12. Amends Section 2001.003, Occupations Code, as follows:

Sec. 2001.003. REGULATORY FUNDING FROM LICENSE FEES AND BINGO PRIZE FEES. Provides that it is the intent of the legislature that the funding necessary for the administration of Chapter 2001 by TDLR, rather than TLC, be collected by TDLR from commercial lessor, manufacturer, and distributor license fees and money paid to TDLR by bingo players as bingo prize fees. Makes conforming changes.

SECTION 13. Amends Section 2001.051, Occupations Code, as follows:

Sec. 2001.051. New heading: ADMINISTRATION AND PURPOSE OF CHAPTER. (a) Requires TDLR, rather than TLC, to administer this chapter.

(b) Provides that the purpose of this chapter is to ensure all bingo conducted in this state is fairly conducted and the proceeds derived from bingo are used for an authorized purpose. Deletes existing text providing that TLC has broad authority and requiring TLC to exercise strict control and close supervision over all bingo conducted in this state so that bingo is fairly conducted and the proceeds derived from bingo are used for an authorized purpose.

(c) Provides that this chapter does not limit the general powers of the Texas Commission of Licensing and Regulation (TCLR) or TDLR under Chapter 51 (Texas Department of Licensing and Regulation). Deletes existing text requiring TLC to execute its authority through a bingo division established by TLC to administer this chapter.

SECTION 14. Amends Section 2001.057, Occupations Code, as follows:

Sec. 2001.057. New heading: BINGO ADVISORY BOARD. (a) Authorizes TCLR to establish a bingo advisory board to advise TCLR and TDLR on matters related to this state's bingo industry, rather than to appoint a bingo advisory committee consisting of nine members.

(b) Creates this subsection from existing text. Requires the advisory board to consist of nine members appointed by the presiding officer of TCLR, on approval of TCLR, and represent a balance of interests including certain representatives. Makes conforming and nonsubstantive changes.

(c) Provides that the advisory board members serve staggered six-year terms. Deletes existing text providing that a committee member serves at the pleasure of TLC.

(d) Makes conforming changes to this subsection.

(e) Requires the presiding officer of TCLR, if a vacancy occurs on the advisory board, on approval of TCLR, to appoint a replacement who meets the qualifications for the vacant position to serve for the remainder of the term. Deletes existing text authorizing the committee to take certain actions.

(f) Requires the presiding officer of TCLR, on approval of TCLR, to designate a member of the advisory board to serve as the presiding officer of the advisory board for two years. Authorizes the presiding officer of the advisory board to vote on any matter before the advisory board. Deletes existing text authorizing the committee to meet quarterly or at TLC's request.

(g) Makes a conforming change to this subsection.

SECTION 15. Amends Sections 2001.060(a) and (c), Occupations Code, to make conforming changes.

SECTION 16. Amends Section 2001.101(a), Occupations Code, to make a conforming change.

SECTION 17. Amends Sections 2001.102(a) and (b), Occupations Code, to make conforming changes.

SECTION 18. Amends Sections 2001.103(a), (e), and (g), Occupations Code, to make conforming changes.

SECTION 19. Amends Section 2001.105, Occupations Code, as follows:

(a)-(b) Makes conforming changes to these subsections.

(c) Provides that a regular license to conduct bingo issued under this subchapter expires on the second anniversary of the date of issuance unless TCLR or TDLR revokes or suspends the license before that date.

SECTION 20. Amends Section 2001.107(b), Occupations Code, to make a conforming change.

SECTION 21. Amends Section 2001.108, Occupations Code, to make conforming changes.

SECTION 22. Amends Section 2001.152(a), Occupations Code, to make a conforming change.

SECTION 23. Amends Section 2001.153(a), Occupations Code, to make conforming changes.

SECTION 24. Amends Section 2001.154(a), Occupations Code, to make a conforming change.

SECTION 25. Amends Section 2001.156(a), Occupations Code, to require an applicant for a commercial lessor license to file with TDLR an application, rather than with TLC a written verified application, on a form prescribed by TDLR. Makes a conforming change.

SECTION 26. Amends Section 2001.157, Occupations Code, to make a conforming change to this section.

SECTION 27. Amends Sections 2001.159(a) and (b), Occupations Code, to make conforming changes.

SECTION 28. Amends Sections 2001.160(a), (e), (f), and (g), Occupations Code, to make conforming changes.

SECTION 29. Amends Section 2001.161(c), Occupations Code, to make a conforming change.

SECTION 30. Amends Section 2001.203, Occupations Code, to make conforming changes.

SECTION 31. Amends Section 2001.204(a), Occupations Code, to make a conforming change.

SECTION 32. Amends Section 2001.208, Occupations Code, as follows:

Sec. 2001.208. DISTRIBUTOR'S LICENSE APPLICATION. (a) Requires an applicant for a distributor's license to file with TDLR an application, rather than an executed verified application, on a form prescribed by TDLR. Makes conforming changes.

(b) Makes a conforming change to this subsection.

SECTION 33. Amends Sections 2001.211(a), (b), and (c), Occupations Code, to make conforming changes.

SECTION 34. Amends Section 2001.212, Occupations Code, to make a conforming change.

SECTION 35. Amends Section 2001.213, Occupations Code, as follows:

Sec. 2001.213. New heading: DEPARTMENT ACTION NOT REQUIRED. Makes conforming changes to this section.

SECTION 36. Amends Section 2001.214(a), Occupations Code, to make a conforming change.

SECTION 37. Amends Section 2001.216, Occupations Code, to make conforming changes.

SECTION 38. Amends Sections 2001.218(b) and (c), Occupations Code, to make conforming changes.

SECTION 39. Amends the heading to Subchapter G, Chapter 2001, Occupations Code, to read as follows:

#### SUBCHAPTER G. GENERAL LICENSING PROVISIONS

SECTION 40. Amends Section 2001.301, Occupations Code, as follows:

Sec. 2001.301. New heading: LICENSE DETERMINATION. Requires TDLR, promptly after the filing of the application for a license under this chapter, to review the qualifications of each applicant and the determine whether the applicant meets the requirements for the license, rather than to investigate the qualifications of each applicant and the merits of the application. Makes a conforming change.

SECTION 41. Amends Section 2001.3025, Occupations Code, as follows:

Sec. 2001.3025. New heading: CRIMINAL HISTORY INFORMATION REQUIREMENT. (a) Creates this subsection from existing text. Requires TDLR to require an applicant for a license under this chapter to submit to TDLR or to the Department of Public Safety of the State of Texas (DPS) a complete and legible set of fingerprints on a form TDLR prescribes for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation (FBI). Deletes existing text entitling TLC to conduct an investigation of and obtain criminal history record information maintained by DPS and the FBI identification division, or another law enforcement agency to assist in the investigation of certain persons.

(b) Prohibits TDLR from issuing a license to a person or entity who does not comply with the requirement of Subsection (a).

(c) Requires TDLR to conduct a criminal history record information check of each applicant for a license using information provided by the individual under this section and made available by certain criminal justice agencies.

(d) Authorizes TDLR to enter into an agreement with DPS to administer a criminal history record information check required under this section and authorize DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history record information check.

(e) Requires the applicant, for purposes of this section, if the applicant for a license is an entity, to submit fingerprints as required by Subsection (a) for each individual who has certain relationships with the entity.

(f) Provides that this section does not apply to a temporary license issued under this chapter.

SECTION 42. Amends Sections 2001.305(a), (b), and (c), Occupations Code, to make conforming changes.

SECTION 43. Amends Sections 2001.306(a) and (d), Occupations Code, to make conforming changes.

SECTION 44. Amends Section 2001.311, Occupations Code, as follows:

Sec. 2001.311. RIGHTS NOT VESTED. Provides that the issuance of a license, rather than a license or temporary authorization, by TDLR does not grant a vested right in the license or the privileges conferred. Makes conforming changes.

SECTION 45. Amends Sections 2001.313(a), (b-1), (c), (e), (f), and (g), Occupations Code, as follows:

(a) Makes conforming changes to this subsection.

(b-1) Makes a conforming change to this subsection.

(c) Requires TDLR to make the registry information available to the public by publishing it on TDLR's website, rather than by publishing it on TDLR's website and by responding to telephone, e-mail, and facsimile requests. Makes conforming changes.

(e) Makes a conforming change to this subsection.

(f) Requires a licensed authorized organization to report to TDLR, rather than TLC or its designee, the discovery of certain conduct on the part of certain individuals. Makes a conforming change.

(g) Makes a conforming change to this subsection.

SECTION 46. Amends Sections 2001.314(a) and (b), Occupations Code, as follows:

(a) Authorizes TCLR by rule to require an individual listed in the registry maintained under Section 2001.313 (Registry of Approved Bingo Workers) to wear an identification card to identify the individual to license holders, bingo players, and TDLR, rather than TLC, staff while the individual is on duty during the conduct of bingo.

(b) Requires TDLR to provide the identification card and provide a form to be completed by an individual that allows the individual to prepare the identification card. Authorizes TCLR to set a reasonable fee for the individual to pay to TDLR, rather than set a reasonable charge, to cover the cost of providing the card or form. Makes a conforming change.

SECTION 47. Amends Section 2001.316, Occupations Code, as follows:

Sec. 2001.316. New heading: DELIVERY OF DEPARTMENT NOTICE. Makes a conforming change to this section.

SECTION 48. Amends Section 2001.351, Occupations Code, as follows:

Sec. 2001.351. New heading: DENIAL, REVOCATION, AND SUSPENSION OF LICENSE. Authorizes TCLR or TDLR to deny, revoke, or suspend in accordance with

Subchapter G (Other Penalties and Enforcement Provisions), Chapter 51, a license or renewal of a license, rather than an application for a license or renewal of a license, issued under this chapter for a violation of, rather than for a cause that would permit or require the suspension or revocation of a license issued under, this chapter or a rule or order of TLC or TDLR.

SECTION 49. Amends Sections 2001.355(a), (b), and (c), Occupations Code, as follows:

(a) Makes a conforming change to this subsection.

(b) Requires TDLR, rather than the director of bingo operations, before temporarily suspending a license, to follow any prehearing rules adopted by TDLR to determine whether the license holder's continued operation may constitute certain threats or losses, including an immediate threat to the health, safety, or welfare, rather than threat to the health, safety, morals, or welfare, of the public. Makes conforming and nonsubstantive changes.

(c) Requires that an order of temporary suspension issued under Section 2001.355 (Temporary Suspension) comply with the procedural requirements for an emergency order issued under Section 51.3511 (Issuance of Emergency Orders).

Deletes existing text providing that Chapter 2001, Government Code, does not apply to the director of bingo operations or to TLC in the enforcement and administration of a temporary suspension under this section.

SECTION 50. Amends Section 2001.403(b), Occupations Code, to provide that Section 2001.403 (Common Roof or Foundation) does not apply if more than one premises lawfully exists under a common roof or over a common foundation under a license application filed on or before May 23, 1997, rather than with TLC on or before May 23, 1997, and to make a conforming change.

SECTION 51. Amends Section 2001.407(f), Occupations Code, to make a conforming change.

SECTION 52. Amends Section 2001.411(e), Occupations Code, to make a conforming change.

SECTION 53. Amends Section 2001.415, Occupations Code, to make conforming changes.

SECTION 54. Amends Sections 2001.437(a) and (b), Occupations Code, to make conforming changes.

SECTION 55. Amends Sections 2001.438(b) and (d), Occupations Code, to make conforming changes.

SECTION 56. Amends Section 2001.439(c), Occupations Code, to make a conforming change.

SECTION 57. Amends Sections 2001.451(c), (h), (i), (j), and (k), Occupations Code, to make conforming changes.

SECTION 58. Amends Section 2001.457(b), Occupations Code, to make a conforming change.

SECTION 59. Amends Sections 2001.502(a) and (b), Occupations Code, to make conforming changes.

SECTION 60. Amends Sections 2001.504(a), (b), and (d), Occupations Code, as follows:

(a) Makes a conforming change to this subsection.

(b) Requires that the report of the fee on prizes be filed on forms, rather than under oath on forms, prescribed by TDLR. Makes a conforming change.

(d) Makes a conforming change to this subsection.

SECTION 61. Amends Section 2001.505(a), Occupations Code, to make a conforming change.

SECTION 62 Amends Section 2001.507, Occupations Code, to make conforming changes.

SECTION 63. Amends Section 2001.508(a), Occupations Code, to make a conforming change.

SECTION 64. Amends Section 2001.509, Occupations Code, as follows:

Sec. 2001.509. RECOMPUTATION OF PRIZE FEE. Makes conforming changes to this section.

SECTION 65. Amends Sections 2001.510(a), (b), and (c), Occupations Code, to make conforming changes.

SECTION 66. Amends Sections 2001.511(a) and (b), Occupations Code, as follows:

(a) Makes conforming changes to this subsection.

(b) Provides that if a license holder against whom the determination is made does not pay the amount specified by a determination on or before the 20th day after the date of service of the determination on the license holder, the amount becomes final at the end of the 20th day unless the license holder files with TDLR a petition for redetermination on or before the 20th day after service of notice of the determination.

SECTION 67. Amends Section 2001.512(b), Occupations Code, to make a conforming change.

SECTION 68. Amends Sections 2001.513(a), (b), (c), (d), (f), (g), and (h), Occupations Code, to make conforming changes.

SECTION 69. Amends Sections 2001.514(a), (c), and (d), Occupations Code, as follows:

(a) Requires each license holder, to secure payment due to TDLR of the fee on prizes imposed under Subchapter K (Prize Fees), to furnish to TDLR certain securities, including other security as TDLR by rule considers sufficient.

(c)-(d) Makes conforming changes to these subsections.

SECTION 70. Amends Section 2001.515, Occupations Code, as follows:

Sec. 2001.515. New heading: DEPARTMENT'S DUTIES. Makes conforming changes to this section.

SECTION 71. Amends Section 2001.551(f), Occupations Code, to make conforming and nonsubstantive changes.

SECTION 72. Amends Section 2001.557, Occupations Code, as follows:

Sec. 2001.557. INSPECTION OF PREMISES. (a) Authorizes TDLR or a state, municipal, or county peace officer to enter and inspect the contents of premises where certain requirements are met. Deletes existing text authorizing TLC or its officers or agents to enter and inspect the contents of premises where certain requirements are met.

(b) Requires TDLR to conduct risk-based inspections in accordance with Section 51.211 (Risk-Based Inspections) that prioritize the inspection of premises where bingo is being conducted or is intended to be conducted in accordance with certain risk factors identified by TDLR.



Deletes existing text requiring TLC by rule to develop and implement policies and procedures to prioritize the inspection of premises where bingo is being conducted or is intended to be conducted in accordance with certain risk factors TLC considers important and inspect premises where bingo is being conducted or is intended to be conducted in accordance with the priorities established under Subdivision (1) (relating to the inspection of premises where bingo is being conducted or is intended to be conducted). Makes nonsubstantive changes.

SECTION 73. Amends Section 2001.558(a), Occupations Code, to make conforming changes.

SECTION 74. Amends Sections 2001.560(c), (c-1), (c-2), and (e), Occupations Code, as follows:

(c) Makes conforming changes to this subsection.

(c-1) Requires TDLR, rather than the bingo division, to use audit risk analysis procedures established by TLC to take certain actions.

(c-2) Makes a conforming change to this subsection.

(e) Requires TDLR, if TDLR issues a notice of alleged violation in accordance with Section 51.303 (Notice of Violation and Penalty) for a violation of this chapter, rather than if TLC determines that a person is not complying with this chapter, to notify the attorney general and the governing body of the appropriate political subdivision.

SECTION 75. Amends Section 2001.601, Occupations Code, as follows:

Sec. 2001.601. IMPOSITION OF PENALTY. Authorizes TCLR or TDLR to impose an administrative penalty in accordance with Subchapter F (Administrative Penalty), Chapter 51, against a person who violates this chapter or a rule adopted or order issued, rather than a rule or order adopted, by TCLR or TDLR under this chapter.

SECTION 76. Amends Section 2001.602, Occupations Code, as follows:

Sec. 2001.602. AMOUNT OF PENALTY. Deletes existing text requiring the director of bingo operations, in determining the amount of the penalty, to consider certain factors. Makes nonsubstantive changes.

SECTION 77. Amends Section 2001.654(a), Occupations Code, to make a conforming change.

SECTION 78. Amends Section 2001.656(d), Occupations Code, to make conforming changes.

SECTION 79. Repealers: Sections 411.108(a-1) (relating to entitling TLC to obtain certain criminal history record information) and 467.021(c) (relating to requiring one member of TLC to have experience in the bingo industry), Government Code.

Repealers: Sections 467.031 (Divisions) and 467.033 (Division Directors), Government Code.

SECTION 80. Repealers: Sections 2001.052 (Director of Bingo Operations) and 2001.053 (Officers and Investigators), Occupations Code.

Repealers: Sections 2001.0541 (Rules on Consequences of Criminal Conviction) and 2001.058 (Public Information), Occupations Code.

Repealers: Sections 2001.056(c) (relating to authorizing TLC to set the price or adopt a schedule of prices for the sale or provision of bingo cards) and (d) (relating to prohibiting a licensed authorized organization from selling or providing a bingo card at a price other than a price authorized by TLC), Occupations Code.

Repealers: Sections 2001.059 (Advisory Opinions) and 2001.061 (License Renewal Process), Occupations Code.

Repealers: Sections 2001.158(e) (relating to requiring TLC to refund the fee for an initial or renewal commercial lessor license under certain circumstances) and 2001.205(c) (relating to requiring TLC to refund the fee for an initial or renewal manufacturer's license under certain circumstances), Occupations Code.

Repealers: Sections 2001.209(c) (relating to requiring TLC to refund the fee for an initial or renewal distributor's license under certain circumstances) and 2001.306(f) (relating to requiring TLC to refund the fee for amending a license issued under this chapter under certain circumstances), Occupations Code.

Repealers: Sections 2001.302 (Provision of Supplemental Information) and 2001.304 (Temporary Authorization), Occupations Code.

Repealers: Sections 2001.308 (Paperwork Reduction) and 2001.315 (Late License Renewal), Occupations Code.

Repealers: Sections 2001.352 (Hearing) and 2001.353 (Discipline of License and Registration Holders), Occupations Code.

Repealers: Sections 2001.354 (Final Hearing) and 2001.356 (Notice of Temporary Suspension), Occupations Code.

Repealers: Sections 2001.357 (Judicial Review) and 2001.358 (Schedule of Sanctions), Occupations Code.

Repealers: Sections 2001.559 (Remedies Not Exclusive) and 2001.603 (Notice of Violation and Penalty), Occupations Code.

Repealers: Sections 2001.604 (Penalty to be Paid or Hearing Requested) and 2001.605 (Hearing), Occupations Code.

Repealers: Sections 2001.606 (Decision by Director) and 2001.607 (Options Following Decision: Pay or Appeal), Occupations Code.

Repealers: Sections 2001.608 (Collection of Penalty) and 2001.609 (Determination by Court), Occupations Code.

Repealers: Sections 2001.610 (Remittance of Penalty and Interest) and 2001.611 (Administrative Procedure), Occupations Code.

SECTION 81. (a) Provides that on September 1, 2026:

- (1) all functions and activities performed by TLC relating to the regulation of bingo operations under Chapter 2001, Occupations Code, immediately before that date are transferred to TDLR;
- (2) a rule, policy, procedure, decision, or form adopted by TLC relating to Chapter 2001, Occupations Code, is a rule, policy, procedure, decision, or form of TCLR or TDLR, as applicable, and remains in effect until amended or replaced by TCLR or TDLR unless the rule, policy, procedure, decision, or form conflicts with the changes in law made by this Act;
- (3) unless the context clearly indicates otherwise, a reference to TLC in a law or administrative rule that relates to Chapter 2001, Occupations Code, means TCLR or TDLR, as applicable;

(4) a complaint, investigation, or other proceeding before TLC that is related to Chapter 2001, Occupations Code, is transferred without change in status to TDLR, and TDLR assumes, as appropriate and without a change in status, the position of TLC in an action or proceeding to which TLC is a party;

(5) a license, permit, certification, or registration in effect that was issued by TLC under Chapter 2001, Occupations Code, is continued in effect as a license, permit, certification, or registration of TDLR;

(6) all money, contracts, leases, property, and obligations of TLC relating to Chapter 2001, Occupations Code, are transferred to TDLR; and

(7) the unexpended and unobligated balance of any money appropriated by the legislature for TLC related to Chapter 2001, Occupations Code, is transferred to TDLR.

(b) Provides that on September 1, 2026, all full-time equivalent employee positions at TLC that primarily concern the administration, auditing, accounting, enforcement, or other direct and indirect support of Chapter 2001, Occupations Code, become positions at TDLR. Requires TDLR, when filling the positions, to give first consideration to an applicant who, as of August 31, 2025, was an employee at TLC primarily involved in administering or enforcing Chapter 2001, Occupations Code.

(c) Requires TLC, not later than June 1, 2026, to grant TDLR inquiry-only security access to all licensing, enforcement, and examination software or computer systems used by TLC in administering or enforcing Chapter 2001, Occupations Code and the uniform statewide accounting system, the state property accounting system, the uniform statewide payroll system, and the human resources information system for TLC.

(d) Authorizes TLC, before September 1, 2026, to agree with TDLR to transfer any property of TLC to TDLR to implement the transfers required by this Act.

(e) Requires TDLR and TLC to coordinate implementation of this section. Requires TLC to cooperate with TDLR in transferring all data and records necessary to implement the transfers required by this Act.

(f) Requires TLC and TDLR, before July 15, 2026, to develop and enter into a memorandum of understanding regarding the transfers required by this Act. Requires that the memorandum include a transition plan with a timetable and specific steps and deadlines required to complete the transfer.

(g) Provides that, not later than December 1, 2026, a manufacturer of bingo equipment or supplies that submitted to TLC a bond as required under Section 2001.204 (Manufacturer's License Bond), Occupations Code, before September 1, 2026, that is in effect on the effective date of this Act is required to amend the bond to name TDLR as the payee for the bond.

SECTION 82. Requires the Sunset Advisory Commission, not later than December 1, 2028, to submit to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of the legislature with primary jurisdiction over the regulation of charitable bingo in this state a report on the transfer under this Act of the regulation of charitable bingo from TLC to TDLR.

SECTION 83. Makes application of Chapter 2001, Occupations Code, prospective to September 1, 2026.

SECTION 84. Requires TDLR, not later than March 1, 2027, to adopt the rules necessary to implement the changes in law made by this Act.

SECTION 85. (a) Effective date, except as provided by Subsection (b) of this section: upon passage or September 1, 2025.

(b) Effective date, Sections 1 through 80 of this Act: September 1, 2026.