

By: Middleton, Hall

S.B. No. 1721

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the transfer of the licensing and regulation of  
3 charitable bingo to the Texas Commission of Licensing and  
4 Regulation.

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

6 SECTION 1. Section 411.093(a), Government Code, is amended  
7 to read as follows:

8 (a) The Texas Department of Licensing and Regulation is  
9 entitled to obtain criminal history record information as provided  
10 by Subsection (b) that relates to:

11 (1) an applicant for or the holder of:

12 (A) a driver education instructor license under  
13 Chapter 1001, Education Code;

14 (B) a license under Chapter 202, Occupations  
15 Code;

16 (C) a license under Chapter 401, Occupations  
17 Code;

18 (D) a license under Chapter 402, Occupations  
19 Code; ~~or~~

20 (E) a license under Chapter 2001, Occupations  
21 Code; or

22 (F) an instructor license or motorcycle school  
23 license under Chapter 662, Transportation Code;

24 (2) a person who is:

1 (A) an applicant for or the holder of a license  
2 under Chapter 91, Labor Code; or

3 (B) a controlling person, as defined by Chapter  
4 91, Labor Code, of an entity described by Paragraph (A); or

5 (3) a person who:

6 (A) is an applicant for or the holder of a license  
7 under Chapter 455, Occupations Code; or

8 (B) has an interest described under Section  
9 455.1525(e), Occupations Code, in an entity described by Paragraph  
10 (A).

11 SECTION 2. Section 411.108(a-2), Government Code, is  
12 amended to read as follows:

13 (a-2) Subject to Sections 411.087, 466.201, and 467.036(b)  
14 [~~of this code and Section 2001.3025, Occupations Code,~~] and  
15 consistent with the public policy of this state, the Texas Lottery  
16 Commission is entitled to:

17 (1) obtain through the Federal Bureau of Investigation  
18 criminal history record information maintained or indexed by that  
19 bureau that pertains to a person described by Subsection (a) [~~or~~  
20 ~~(a-1)~~]; and

21 (2) obtain from the department or any other criminal  
22 justice agency in this state criminal history record information  
23 maintained by the department or that criminal justice agency that  
24 relates to a person described by Subsection (a) [~~or (a-1)~~].

25 SECTION 3. Sections 466.002(2) and (3), Government Code,  
26 are amended to read as follows:

27 (2) "Director" means the lottery director [~~of the~~

1 ~~division~~].

2 (3) "Division" means the commission or a lottery  
3 division established by the commission [~~under Chapter 467~~].

4 SECTION 4. Section 467.002, Government Code, is amended to  
5 read as follows:

6 Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is  
7 subject to review under Chapter 325 (Texas Sunset Act). Unless  
8 continued in existence as provided by that chapter, the commission  
9 is abolished and this chapter and[~~7~~] Chapter 466 [~~of this code, and~~  
10 ~~Chapter 2001, Occupations Code,~~] expire September 1, 2025.

11 SECTION 5. Sections 467.024(a) and (c), Government Code,  
12 are amended to read as follows:

13 (a) An individual is not eligible to be an appointed member  
14 of the commission if the individual:

15 (1) is registered, certified, or licensed by a  
16 regulatory agency in the field of [~~bingo or~~] lottery;

17 (2) owns or controls, directly or indirectly, more  
18 than a 10 percent interest in a business entity or other  
19 organization regulated by the commission or receiving funds from  
20 the commission;

21 (3) is employed by or participates in the management  
22 of a business entity or other organization regulated by or  
23 receiving funds from the commission;

24 (4) uses or receives a substantial amount of tangible  
25 goods, services, or funds from the commission, other than  
26 compensation or reimbursement authorized by law for commission  
27 membership, attendance, or expenses;

1           (5) is an officer, employee, or paid consultant of a  
2 Texas trade association in the field of [~~bingo or~~] lottery;

3           (6) is required to register as a lobbyist under  
4 Chapter 305 because of the person's activities for compensation on  
5 behalf of a profession related to the operation of the commission;

6           (7) is married to an individual described by  
7 Subdivisions (2)-(6);

8           (8) has been convicted of a felony or of any crime  
9 involving moral turpitude; or

10          (9) is not a citizen of the United States.

11          (c) A person may not be a commission employee employed in a  
12 "bona fide executive, administrative, or professional capacity,"  
13 as that phrase is used for purposes of establishing an exemption to  
14 the overtime provisions of the federal Fair Labor Standards Act of  
15 1938 (29 U.S.C. Section 201 et seq.), if:

16          (1) the person is an officer, employee, or paid  
17 consultant of a Texas trade association in the field of [~~bingo or~~]  
18 lottery; or

19          (2) the person's spouse is an officer, manager, or paid  
20 consultant of a Texas trade association in the field of [~~bingo or~~]  
21 lottery.

22          SECTION 6. Section 467.025(a), Government Code, is amended  
23 to read as follows:

24          (a) A commission member may not:

25                  (1) accept any employment or remuneration from[+  
26                          [~~(A)~~] a person that has a significant financial  
27 interest in the lottery[~~, or~~

1                    [~~(B) a bingo commercial lessor, bingo~~  
2 ~~distributor, or bingo manufacturer~~];

3            (2) play any lottery [~~or bingo~~] game conducted in this  
4 state;

5            (3) accept or be entitled to accept any part of the  
6 winnings to be paid from a lottery [~~or bingo~~] game conducted in this  
7 state;

8            (4) use the member's official authority to affect the  
9 result of an election or nomination for public office; or

10           (5) directly or indirectly coerce, attempt to coerce,  
11 command, or advise a person to pay, lend, or contribute anything of  
12 value to another person for political purposes.

13            SECTION 7. Section 467.035(a), Government Code, is amended  
14 to read as follows:

15            (a) The commission may not employ or continue to employ a  
16 person who owns a financial interest in[+]

17            [~~(1) a bingo commercial lessor, bingo distributor, or~~  
18 ~~bingo manufacturer, or~~

19            [~~(2)~~] a lottery sales agency or a lottery operator.

20            SECTION 8. Sections 467.101(a) and (c), Government Code,  
21 are amended to read as follows:

22            (a) The commission has broad authority and shall exercise  
23 strict control and close supervision over all activities authorized  
24 and conducted in this state under[+]

25            [~~(1) Chapter 2001, Occupations Code, and~~

26            [~~(2)~~] Chapter 466 [~~of this code~~].

27            (c) The commission also has the powers and duties granted

1 under [+

2 [~~(1) Chapter 2001, Occupations Code, and~~

3 [~~(2)~~] Chapter 466 [~~of this code~~].

4 SECTION 9. Section 467.111(f), Government Code, is amended  
5 to read as follows:

6 (f) The commission shall prepare a report on the trends and  
7 issues identified under Subsection (e) and make the report  
8 available to the public. The commission shall address the  
9 identified trends and issues, including trends and issues related  
10 to the regulation of lottery operations under Chapter 466 [~~and of~~  
11 ~~bingo under Chapter 2001, Occupations Code~~].

12 SECTION 10. Section 572.003(b), Government Code, is amended  
13 to read as follows:

14 (b) The term means:

15 (1) the banking commissioner of the Texas Banking  
16 Department [~~Banking Commissioner of The Banking Department of~~  
17 ~~Texas~~];

18 (2) the administrative director of the Office of Court  
19 Administration of the Texas Judicial System;

20 (3) the chief executive of the Office of Public  
21 Utility Counsel;

22 (4) the executive director of the State Bar of Texas;

23 (5) the lottery director [~~of the lottery division~~] of  
24 the Texas Lottery Commission;

25 (6) the deputy in charge of the department of security  
26 in a [~~the~~] lottery division of the Texas Lottery Commission;

27 (7) the director of the bingo division of the Texas

1 ~~[Lottery]~~ Commission of Licensing and Regulation; or

2 (8) the secretary of state.

3 SECTION 11. Section 2001.002, Occupations Code, is amended  
4 by amending Subdivision (8) and adding Subdivision (8-a) to read as  
5 follows:

6 (8) "Commission" means the Texas ~~[Lottery]~~ Commission  
7 of Licensing and Regulation.

8 (8-a) "Department" means the Texas Department of  
9 Licensing and Regulation.

10 SECTION 12. Subchapter B, Chapter 2001, Occupations Code,  
11 is amended by adding Section 2001.0501 to read as follows:

12 Sec. 2001.0501. ALLOCATION OF POWERS AND DUTIES. A power  
13 granted or duty assigned to the commission under this chapter is a  
14 power or duty of the executive director of the department, the  
15 director of bingo operations, the department, or the commission, as  
16 established by commission rule.

17 SECTION 13. The following provisions of the Government Code  
18 are repealed:

19 (1) Section 411.108(a-1);

20 (2) Section 467.021(c);

21 (3) Section 467.031; and

22 (4) Section 467.033.

23 SECTION 14. (a) On September 1, 2025:

24 (1) all functions and activities performed by the  
25 Texas Lottery Commission relating to the regulation of bingo  
26 operations under Chapter 2001, Occupations Code, immediately  
27 before that date are transferred to the Texas Department of

1 Licensing and Regulation;

2           (2) a rule, policy, procedure, decision, or form  
3 adopted by the Texas Lottery Commission relating to Chapter 2001,  
4 Occupations Code, is a rule, policy, procedure, decision, or form  
5 of the Texas Commission of Licensing and Regulation or the Texas  
6 Department of Licensing and Regulation, as applicable, and remains  
7 in effect until amended or replaced by that commission or  
8 department unless the rule, policy, procedure, decision, or form  
9 conflicts with the changes in law made by this Act;

10           (3) unless the context clearly indicates otherwise, a  
11 reference to the Texas Lottery Commission in a law or  
12 administrative rule that relates to Chapter 2001, Occupations Code,  
13 means the Texas Commission of Licensing and Regulation or the Texas  
14 Department of Licensing and Regulation, as applicable;

15           (4) a complaint, investigation, or other proceeding  
16 before the Texas Lottery Commission that is related to Chapter  
17 2001, Occupations Code, is transferred without change in status to  
18 the Texas Department of Licensing and Regulation, and the Texas  
19 Department of Licensing and Regulation assumes, as appropriate and  
20 without a change in status, the position of the Texas Lottery  
21 Commission in an action or proceeding to which the Texas Lottery  
22 Commission is a party;

23           (5) a license, permit, certification, or registration  
24 in effect that was issued by the Texas Lottery Commission under  
25 Chapter 2001, Occupations Code, is continued in effect as a  
26 license, permit, certification, or registration of the Texas  
27 Department of Licensing and Regulation;



1           (6) all money, contracts, leases, property, and  
2 obligations of the Texas Lottery Commission relating to Chapter  
3 2001, Occupations Code, are transferred to the Texas Department of  
4 Licensing and Regulation; and

5           (7) the unexpended and unobligated balance of any  
6 money appropriated by the legislature for the Texas Lottery  
7 Commission related to Chapter 2001, Occupations Code, is  
8 transferred to the Texas Department of Licensing and Regulation.

9           (b) On September 1, 2025, all full-time equivalent employee  
10 positions at the Texas Lottery Commission that primarily concern  
11 the administration, auditing, accounting, enforcement, or other  
12 direct and indirect support of Chapter 2001, Occupations Code,  
13 become positions at the Texas Department of Licensing and  
14 Regulation. When filling the positions, the Texas Department of  
15 Licensing and Regulation shall give first consideration to an  
16 applicant who, as of August 31, 2025, was an employee at the Texas  
17 Lottery Commission primarily involved in administering or  
18 enforcing Chapter 2001, Occupations Code.

19           (c) Not later than June 1, 2025, the Texas Lottery  
20 Commission shall grant the Texas Department of Licensing and  
21 Regulation inquiry-only security access to:

22           (1) all licensing, enforcement, and examination  
23 software or computer systems used by the Texas Lottery Commission  
24 in administering or enforcing Chapter 2001, Occupations Code; and

25           (2) the uniform statewide accounting system, the state  
26 property accounting system, the uniform statewide payroll system,  
27 and the human resources information system for the Texas Lottery

1 Commission.

2 (d) Before September 1, 2025, the Texas Lottery Commission  
3 may agree with the Texas Department of Licensing and Regulation to  
4 transfer any property of the Texas Lottery Commission to the Texas  
5 Department of Licensing and Regulation to implement the transfers  
6 required by this Act.

7 (e) The Texas Department of Licensing and Regulation and the  
8 Texas Lottery Commission shall coordinate implementation of this  
9 section. The Texas Lottery Commission shall cooperate with the  
10 Texas Department of Licensing and Regulation in transferring all  
11 data and records necessary to implement the transfers required by  
12 this Act.

13 (f) Before July 15, 2025, the Texas Lottery Commission and  
14 the Texas Department of Licensing and Regulation shall develop and  
15 enter into a memorandum of understanding regarding the transfers  
16 required by this Act. The memorandum must include a transition  
17 plan with a timetable and specific steps and deadlines required to  
18 complete the transfer.

19 (g) Not later than December 1, 2025, a manufacturer of bingo  
20 equipment or supplies that submitted to the Texas Lottery  
21 Commission a bond as required under Section [2001.204](#), Occupations  
22 Code, before September 1, 2025, that is in effect on the effective  
23 date of this Act must amend the bond to name the Texas Department of  
24 Licensing and Regulation as the payee for the bond.

25 SECTION 15. The changes in law made by this Act to Chapter  
26 [2001](#), Occupations Code, apply only to a tax or fee charged on or  
27 after September 1, 2025. A tax or fee charged before September 1,

1 2025, is governed by the law in effect immediately before that date,  
2 and the former law is continued in effect for that purpose.

3 SECTION 16. Not later than March 1, 2026, the Texas  
4 Commission of Licensing and Regulation shall adopt the rules  
5 necessary to implement the changes in law made by this Act.

6 SECTION 17. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2025.