

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 16, 2025

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1721 by Middleton (relating to the transfer of the licensing and regulation of charitable bingo to the Texas Commission of Licensing and Regulation.), **Committee Report 1st House, Substituted**

The degree to which the indirect administration function within the Texas Department of Licensing and Regulation could absorb the additional responsibilities of the bingo staff and operations is unknown. Therefore, the fiscal implications for this component of the bill's implementation cannot be determined.

The bill would amend the Texas Government Code to transfer the responsibilities of administering all charitable bingo operations from the Texas Lottery Commission (TLC) to the Texas Department of Licensing and Regulation (TDLR). Under current law, the Bingo program within TLC is funded through General Revenue Funds with appropriations totaling approximately \$2.6 million each fiscal year contained with its own Goal in the bill pattern of the TLC. Additionally, TLC is appropriated 30.0 full-time equivalent (FTE) positions to administer the bingo program. This estimate assumes that all funds and FTE authority appropriated for the purpose of administering the bingo program to TLC would be transferred to TDLR, resulting in no overall fiscal impact to the state.

In the Sunset Staff Evaluation for the Texas Lottery Commission published in January 2025, Sunset staff identified that indirect administration responsibilities for both bingo and lottery operations are shared among many of the same TLC staff. This organizational structure is designed to remove duplication of responsibilities for the agency; however, this setup also creates challenges in determining the proportion of indirect administration workload and costs that can be attributed to solely to either bingo or lottery operations. In addition, the degree to which the indirect administration function within TDLR could absorb the additional responsibilities of the bingo staff and operations is unknown. Therefore, the fiscal implications for this component of the bill's implementation cannot be determined.

This estimate assumes that charitable bingo operations staff currently employed by the Texas Lottery Commission and located in field offices in Dallas, Odessa, Houston, and San Antonio would continue to co-locate at these offices as TDLR does not currently have field offices in those locations. This estimate assumes TLC and TDLR would enter into a memorandum of understanding or related agreement to allow those employees to remain in TLC offices.

This bill would take effect September 1, 2025, unless it receives a two-thirds vote of all members elected to each house, in which it is effective immediately.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission, 451 Department of Banking, 452 Department of Licensing and Regulation

LBB Staff: JMc, WP, GDZ, BFa, JBel