By: Hall S.B. No. 459

A BILL TO BE ENTITLED

AN ACT

relating to the licensing and regulation of charitable bingo.

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

SECTION 1. Section 2001.101(b), Occupations Code, is amended to read as follows:

(b) A fraternal organization:

(1) must have been organized in this state for at least five [~~three~~] years;

(2) must have had during the five-year [~~three-year~~] period a bona fide membership actively and continuously engaged as an organization in furthering its authorized purposes; [~~and~~]

(3) may designate as the organization's bingo chairperson, operator, or manager only a member actively and continuously engaged in the organization for at least three years; and

(4) may not have authorized a person on behalf of its membership, governing body, or officers to support or oppose a particular candidate for public office by:

(A) making political speeches;

(B) passing out cards or other political literature;

(C) writing letters;

(D) signing or circulating petitions;

(E) making campaign contributions; or

(F) soliciting votes.

SECTION 2. Section 2001.107(a), Occupations Code, is amended to read as follows:

(a) The following individuals providing services [~~Unless the organization is a member of a unit that designates a unit manager under Section 2001.437, the bingo chairperson~~] for a licensed authorized organization shall complete the training required by commission rule:

(1) a bingo chairperson;

(2) a bingo operator;

(3) a bookkeeper;

(4) a bingo manager;

(5) a[~~. For a unit operating under Subchapter I-1, the~~] unit manager; and

(6) a unit's designated agent [~~shall complete the training if the unit designates a unit manager under Section 2001.437~~].

SECTION 3. Section 2001.151, Occupations Code, is amended to read as follows:

Sec. 2001.151. LICENSE REQUIRED; EXCEPTION FOR POLITICAL SUBDIVISION OR OTHER LOCAL GOVERNMENTAL ENTITY. (a) Except as provided by this section, a [~~A~~] person who leases premises on which bingo is conducted directly to a licensed authorized organization must be a licensed commercial lessor.

(b) A political subdivision or other local governmental entity is not required to hold a commercial lessor license to make available to a licensed authorized organization a premises for

conducting bingo.

SECTION 4. Section 2001.154, Occupations Code, is amended to read as follows:

Sec. 2001.154. INELIGIBLE PERSONS. (a) The commission may not issue a commercial lessor license to or renew a commercial lessor license of:

(1) a person convicted of criminal fraud or a gambling or gambling-related offense;

(2) a public officer who receives any consideration, direct or indirect, as owner or lessor of premises offered for conducting bingo;

(3) a person who loans money to an authorized organization;

(4) a distributor or manufacturer;

(5) a person named as a lessee's unit manager or designated agent;

(6) a person in which a person covered by Subdivision (1), (2), (3), [~~or~~] (4), or (5) or a person married or related in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to one of those persons has greater than a 10 percent proprietary, equitable, or credit interest or in which one of those persons is active or employed;

(7) [~~(6)~~] a foreign corporation or other foreign legal entity;

(8) [~~(7)~~] an individual who is not a resident of this state;

(9) [~~(8)~~] a corporation or other legal entity owned or

controlled by:

(A) a foreign corporation; or

(B) an individual who is not a resident of this state; or

(10) [~~(9)~~] a corporation or other legal entity:

(A) whose shares are publicly traded; or

(B) owned or controlled by a corporation whose shares are publicly traded.

(b) Subsection (a)(6) [~~(a)(5)~~] does not prevent an authorized organization or other person that is not organized for pecuniary profit and no part of the net earnings of which inure to the benefit of an individual, member, or shareholder from being licensed as a commercial lessor solely because a public officer or a person married or related in the first degree by consanguinity or affinity to a public officer is a member of, active in, or employed by the authorized organization or other person.

SECTION 5. Section 2001.202, Occupations Code, is amended to read as follows:

Sec. 2001.202. ELIGIBILITY FOR MANUFACTURER'S LICENSE. The following persons are not eligible for a manufacturer's license:

(1) a person convicted of criminal fraud or a gambling or gambling-related offense;

(2) a person who is or has been a professional gambler or gambling promoter;

(3) an elected or appointed public officer or a public employee;

(4) an owner, officer, director, shareholder, agent,

or employee of a licensed commercial lessor;

(5) a person who conducts, promotes, or administers, or assists in conducting, promoting, or administering, bingo for which a license is required by this chapter;

(6) a distributor required to be licensed under this chapter or a person affiliated with, directly or indirectly controlled by, or under common control with a distributor required to be licensed under this chapter;

(7) a person who has had a license to manufacture, distribute, or supply bingo equipment or supplies revoked within the preceding year by another state;

(8) an owner, officer, director, or shareholder of, or a person holding an equitable or credit interest in, another manufacturer or distributor licensed or required to be licensed under this chapter; or

(9) a person:

(A) in which a person described by Subdivision (1), (2), (3), (4), (5), (6), (7), or (8) or in which a person married or related in the first degree by consanguinity or affinity to one of those persons has greater than a 10 percent proprietary, equitable, or credit interest or in which one of those persons is active or employed; or

(B) in whose application for a manufacturer's license a person described by Subdivision (1), (2), (3), (4), (5), (6), (7), or (8) is required to be named.

SECTION 6. Section 2001.207, Occupations Code, is amended to read as follows:

Sec. 2001.207. ELIGIBILITY FOR DISTRIBUTOR'S LICENSE. The following persons are not eligible for a distributor's license:

(1) a person convicted of criminal fraud or a gambling or gambling-related offense;

(2) a person who is or has been a professional gambler or gambling promoter;

(3) an elected or appointed public officer or a public employee;

(4) an owner, officer, director, shareholder, agent, or employee of a licensed commercial lessor;

(5) a person who conducts, promotes, or administers, or assists in conducting, promoting, or administering bingo for which a license is required by this chapter;

(6) a manufacturer required to be licensed under this chapter or a person affiliated with, directly or indirectly controlled by, or under common control with a manufacturer required to be licensed under this chapter;

(7) a person who has had a license to manufacture, distribute, or supply bingo equipment or supplies revoked within the preceding year by another state;

(8) an owner, officer, director, or shareholder of, or a person having an equitable or credit interest in, another manufacturer or distributor licensed or required to be licensed under this chapter; or

(9) a person:

(A) in which a person described by Subdivision (1), (2), (3), (4), (5), (6), (7), or (8) or in which a person

married or related in the first degree by consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, to one of those persons has greater than a 10 percent proprietary, equitable, or credit interest or in which one of those persons is active or employed; or

(B) in whose application a person described by Subdivision (1), (2), (3), (4), (5), (6), (7), or (8) is required to be named.

SECTION 7. Section 2001.401, Occupations Code, is amended to read as follows:

Sec. 2001.401. RESTRICTIONS ON PREMISES PROVIDERS. (a) A person may not, for direct or indirect consideration, lease or otherwise make a premises available for conducting bingo unless the person is:

(1) a licensed commercial lessor; [~~or~~]

(2) a person who leases or otherwise makes available premises to an organization that:

(A) has been issued a temporary license; and

(B) does not hold a regular license; or

(3) a political subdivision or other local governmental entity.

(b) A person may not lease, offer, or otherwise make available a premises for conducting bingo and a licensed authorized organization may not conduct bingo on a premises if:

(1) the premises is a gambling place, as defined by Section 47.01, Penal Code; or

(2) a gambling device, as defined by Section 47.01,

Penal Code, is located at the same address, under the same roof, or in an adjacent location using the same parking facilities as the premises.

(c) On the department's determination that a premises is in violation of Subsection (b), the commission shall temporarily suspend each license associated with the premises as provided by Section 2001.355. The suspension of a license under this subsection may remain in effect until the department determines the violation has been cured.

SECTION 8. The heading to Section 2001.406, Occupations Code, is amended to read as follows:

Sec. 2001.406. RENT FOR PREMISES; PREMISES EXPENSES.

SECTION 9. Section 2001.406, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) A political subdivision or other local governmental entity that makes available to a licensed authorized organization a premises for conducting bingo:

(1) may not charge rent to the organization; and

(2) may charge the organization a fee, not to exceed $300 per bingo occasion, to cover expenses the political subdivision or other local governmental entity incurs for janitorial services, utilities, fixtures, equipment, and supplies that are directly attributable to the organization's use of the facility.

SECTION 10. Section 2001.451(k), Occupations Code, is amended to read as follows:

(k) A licensed authorized organization may apply to the

department [~~commission~~] for a waiver of the requirements of this section and Section 2001.457 not more than twice during the license term. The department [~~commission~~] may grant the waiver on a showing of good cause by the organization [~~that compliance with this section and Section 2001.457 is detrimental to the organization's existing or planned charitable purposes~~]. An organization [~~applying for a waiver~~] establishes good cause by providing to the department [~~commission:~~

[~~(1)~~] credible evidence of an event or circumstances exceeding 60 days, beyond the control of the organization, and rendering compliance with this chapter or rules adopted under this chapter impossible, including:

(1) a natural disaster such as a flood, hurricane, or wildfire;

(2) a widespread disease outbreak such as an epidemic or pandemic;

(3) a war, riot, strike, or act of terrorism; or

(4) a government-imposed facility or road closure [~~force majeure; or~~

[~~(2) a credible business plan for the organization's conduct of bingo or the organization's existing or planned charitable purposes~~].

SECTION 11. The following provisions of the Occupations Code are repealed:

(1) Section 2001.059;

(2) Section 2001.437(h); and

(3) Section 2001.438(e).

SECTION 12. Section 2001.101(b), Occupations Code, as amended by this Act, applies only to a fraternal organization issued an initial authorized organization license on or after the effective date of this Act.

SECTION 13. Sections 2001.154(a) and (b), Occupations Code, as amended by this Act, apply only to an application for an initial issuance or renewal of a commercial lessor license submitted on or after the effective date of this Act.

SECTION 14. The changes in law made by this Act to Sections 2001.202 and 2001.207, Occupations Code, as amended by this Act, apply only to a manufacturer's license or distributor's license, respectively, initially issued or renewed on or after the effective date of this Act.

SECTION 15. The repeal by this Act of Section 2001.059, Occupations Code, applies only to a request for an advisory opinion the Texas Commission of Licensing and Regulation receives on or after the effective date of this Act.

SECTION 16. This Act takes effect September 1, 2027.