

SUBJECT: Exempting prizes of \$50 or less from the \$2,500 cap on bingo prizes

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 6 ayes — Smith, Kuempel, Geren, Gooden, Guillen, Gutierrez
0 nays
3 absent — Miles, Price, S. Thompson

WITNESSES: For — Steve Bresnen, Bingo Interest Group; Philip Sanderson, Texas Charity Advocates; (*Registered, but did not testify:* Stephen Fenoglio, Texas State Veterans of Foreign Wars, River City Bingo Charities; Steven Hieronymus, Trend Gaming Systems LLC; Mark Gottschalk)
Against — Rob Kohler, Texas Baptist Christian Life Commission
On — (*Registered, but did not testify:* Sandra Joseph, Texas Lottery Commission, Charitable Bingo Division)

BACKGROUND: Occupations Code, sec. 2001.420 sets limits on prizes that can be awarded in charitable bingo games. A single game may not have a prize of more than \$750. On a single bingo occasion, prizes cannot total more than \$2,500, except that prizes from pull-tab bingo games do not count toward this cap.

DIGEST: HB 394 would exempt bingo games that award prizes of \$50 or less from the cap of \$2,500 on bingo prizes awarded at a single occasion.
This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

SUPPORTERS SAY: HB 394 would treat the small prizes awarded in traditional bingo games in the same way as the small prizes awarded by pull-tab bingo by excluding them from the overall prize limit. The state already has made an exception to the prize limit cap, and HB 394 would be consistent with that policy by

exempting another set of low-value prizes.

By exempting small prizes from the prize-cap amount, the bill would allow charities to offer more low-stakes games so more players could win. This would increase player interest and fun, translating into more funds for charitable purposes and, according to the fiscal note, up to \$383,000 in additional state revenue through the end of fiscal 2015.

HB 394 would not expand bingo or authorize any type of game or device not currently allowed. The current limit of \$750 per game would remain.

**OPPONENTS
SAY:**

Prize amounts, no matter how small, should not be exempted from the aggregate cap on prizes. When this happens, the cap no longer functions as the upper limit on prizes.

NOTES:

The companion bill, SB 282 by Van de Putte, has been referred to the Senate State Affairs Committee.

According to the fiscal note, HB 394 would increase the bingo prize revenue deposited in the general revenue fund through the end of fiscal 2015. If the bill took immediate effect (June 1, 2013 according to the Legislative Budget Board's analysis), the positive impact is projected to be \$383,000. If the bill took effect September 1, 2013, the positive impact is projected to be \$341,000.