

SUBJECT: Adjusting regulation of bingo on fee refunds, worker qualifications

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 7 ayes — Kuempel, Frullo, Geren, Goldman, Herrero, Paddie, S. Thompson

0 nays

2 absent — Guillen, Hernandez

WITNESSES: For — Steve Bresnen, Bingo Interest Group; (*Registered, but did not testify*: Tom Stewart, Texas Charity Advocates; Roy Grona, Texas VFW)

Against — None

On — (*Registered, but did not testify*: Alfonso Royal III, Texas Lottery Commission)

BACKGROUND: Occupations Code, ch. 2001 establishes the Bingo Enabling Act, which includes setting license fees for commercial lessors, manufacturers, distributors, and unit managers and others involved in bingo activities.

Sec. 2001.057 allows the Texas Lottery Commission to appoint a bingo advisory committee consisting of nine members, including members of the public, charities that operate bingo games, and commercial and charity lessors that participate in the bingo industry.

Sec. 2001.103 allows an authorized organization to receive a temporary license to conduct bingo by filing an application accompanied by a \$25 license fee with the Texas Lottery Commission.

Some have called for provisions relating to refunds on licensing and registration fees, regulations on bingo workers, remittances on prizes and the establishment of a bingo advisory committee to be revised to clarify

and reform existing laws.

DIGEST: HB 2577 would make several changes to bingo regulations.

Bingo advisory committee. The bill would require, rather than allow as provided under current law, the Texas Lottery Commission (TLC) to appoint a bingo advisory committee.

Refunds. The bill would require TLC to refund, on request, the \$25 temporary bingo license fee if the organization withdrew the license application or had not used the license within the first year of its issuance. The license would have to be refunded within 30 days of TLC receiving the request. TLC could retain up to 50 percent of the fee to defray administration costs.

TLC would be required to refund the fee for initial or renewal licenses for bingo conductors, commercial lessors, manufacturers, distributors, unit managers, or for amending a license issued under the Bingo Enabling Act if an applicant withdrew an application before the license was issued or if the application was denied.

The bill also would require TLC to refund a fee submitted for an initial or renewal license for inclusion in the approved bingo workers registry if the applicant withdrew the application or if the application to be listed in the registry was denied.

In each case, the refund would be due within 30 days of the request or TLC's denial of the application. TLC could retain an amount to defray administrative costs for processing the application, which would be no more than 50 percent of the license fee for the registry and for amending a license; the lesser of 50 percent of a fee or \$150 for the licenses to conduct bingo or for commercial lessors and unit managers; or a reasonable amount of the fee as set by TLC for manufacturers and distributors.

Bingo employees. The bill would repeal a provision requiring TLC to adopt rules and guidelines to comply with general Occupations Code

provisions regarding the use of criminal record information to issue or renew a bingo license or for listing of individuals in the registry of approved bingo workers. The bill also would start the current 14-day window in which a bingo organization can employ someone not on the bingo workers registry on the date when TLC received a worker's application to be placed on the registry.

Remittance on prizes. The bill would require that the 5 percent prize commission fee apply only to prizes of more than \$5, and would apply to the collection of a bingo prize fee awarded after October 1, 2017.

Pull-tabs. The bill would allow an organization that in one day sells pull-tab bingo tickets in consecutive bingo occasions to report all of the sales for the occasions as sales on the final occasion.

The bill would take effect September 1, 2017, and would apply only to applications and fees submitted on or after the effective date.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined at this time; however, it is anticipated there would be a negative impact to state and local government revenue.