

BILL ANALYSIS

Senate Research Center

S.B. 1720
By: Cain
State Affairs
4/12/2001
As Filed

DIGEST AND PURPOSE

In 1995, the Legislature authorized the use of electronic bingo card-minding devices by charities conducting bingo, but limited its use to 30 percent of gross revenues. In 1997, the Legislature changed the limitation to 40 percent of attendance based on attendance in prior calendar quarters, which became known as the "40 percent Rule." As a result of increased use of card-minding devices, charitable proceeds have grown and the wholesale cost of the devices to the charities has decreased. The "40 percent Rule" places charities in the position of telling customers it cannot sell an otherwise legal product. Because of the 40 percent attendance limit, based on attendance in prior calendar quarters does not correspond to current attendance patterns, it is more difficult for charities to comply with and for the Texas Lottery Commission to enforce the rule. In addition, the Bingo Advisory Committee has recommended the repeal of the "40 percent Rule." As proposed, S.B. 1720 repeals the provision that limits the use of card-minding devices to 40 percent of attendance.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2001.409(b), Occupations Code, to require a licensed authorized organization that offers electronic or mechanical card-minding devices for use in bingo to also offer regular bingo cards for use in bingo. Deletes text that applied a restriction to the number of individuals who could use a electronic or mechanical card-minding device.

SECTION 2. Effective date: upon passage or September 1, 2001.

BILL ANALYSIS

Senate Research Center

S.B. 1720
By: Cain
State Affairs
4/12/2001
As Filed

DIGEST AND PURPOSE

In 1995, the Legislature authorized the use of electronic bingo card-minding devices by charities conducting bingo, but limited its use to 30 percent of gross revenues. In 1997, the Legislature changed the limitation to 40 percent of attendance based on attendance in prior calendar quarters, which became known as the "40 percent Rule." As a result of increased use of card-minding devices, charitable proceeds have grown and the wholesale cost of the devices to the charities has decreased. The "40 percent Rule" places charities in the position of telling customers it cannot sell an otherwise legal product. Because of the 40 percent attendance limit, based on attendance in prior calendar quarters does not correspond to current attendance patterns, it is more difficult for charities to comply with and for the Texas Lottery Commission to enforce the rule. In addition, the Bingo Advisory Committee has recommended the repeal of the "40 percent Rule." As proposed, S.B. 1720 repeals the provision that limits the use of card-minding devices to 40 percent of attendance.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2001.409(b), Occupations Code, to require a licensed authorized organization that offers electronic or mechanical card-minding devices for use in bingo to also offer regular bingo cards for use in bingo. Deletes text that applied a restriction to the number of individuals who could use a electronic or mechanical card-minding device.

SECTION 2. Effective date: upon passage or September 1, 2001.