

## **BILL ANALYSIS**

Senate Research Center  
77R13621 GJH-F

C.S.S.B. 1720  
By: Cain  
State Affairs  
4-24-2001  
Committee Report (Substituted)

### **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.” C.S.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 the play of a bingo game to also offer traditional bingo cards for the play of the bingo game. Deletes text that prohibits more than 40 percent of individuals attending a bingo occasion from using electronic or mechanical card-minding devices. Deletes text providing that this subsection does not apply to pull tab bingo.

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

### **SUMMARY OF COMMITTEE CHANGES**

Differs from As Filed version in SECTION 1 by rearranging text to conform to legislative drafting style.