

BILL ANALYSIS

Senate Research Center

S.B. 1342
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The comptroller of public accounts had oversight of charitable bingo operations in Texas until 1990, when that oversight was transferred to the Texas Alcoholic Beverage Commission (TABC). In 1993, H.B. 2271 transferred oversight of bingo operations from TABC to the newly created Texas Lottery Commission (TLC), and added language stating that "the value of any health insurance or health benefit provided by a licensed authorized organization to any employee may not be included in the amount of a fee authorized by the commission."

TABC previously interpreted that to mean that the value of any health insurance or health benefit should be separate from fees paid to workers, not a prohibition on bingo operators offering health insurance benefits to their employees.

When the oversight of charitable bingo transferred to TLC, TLC's practice was to allow reasonable charitable bingo fund expenditures for health insurance or health benefits to bingo workers, but not to their dependants.

In the recodification of the Bingo Enabling Act in 1999, the health insurance provision was listed below the expense items to be paid, setting it aside as an item not allowed under that section.

TLC requested an attorney general opinion on the interpretation of the statute. Attorney General Greg Abbott issued an opinion in 2007 that stated that the way the statute is currently written, health insurance is not an allowed expense for employees.

S.B. 1342 would add health insurance or a health insurance benefit to the list of allowable expenses under Section 2001.458 (Items of Expense), Occupations Code, and provides that the portion of the benefit that the licensed authorized organization pays for may not exceed 50 percent of the total premium owed. The bill also contains a provision for those employees who work for multiple licensed authorized organizations that the combined value of the health insurance benefit may not exceed 50 percent of the total premium owed.

S.B. 1342 would simply give charitable bingo operators the option of using funds from their proceeds to offer a health insurance benefit for their employees.

As proposed, S.B. 1342 amends current law relating to the use of bingo proceeds by licensed authorized organizations, including the use of proceeds to provide health insurance or health insurance benefits to certain employees.

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 2001.458, Occupations Code, as follows:

Sec. 2001.458. ITEMS OF EXPENSE. (a) Prohibits an item of expense from being incurred or paid in connection with the conduct of bingo except an expense that is

reasonable or necessary to conduct bingo, including certain expenses such as fees for bingo chairpersons, operators, managers, salespersons, callers, cashiers, ushers, janitorial services, and utility supplies and services, and health insurance or health insurance benefits for bingo chairpersons, operators, managers, salespersons, callers, cashiers, and ushers, as provided by Subsection (b). Makes nonsubstantive changes.

(b) Prohibits the value of health insurance or health insurance benefits provided by a licensed authorized organization to an employee from exceeding 50 percent of the total premium owed. Prohibits the combined value of health insurance or health insurance benefits provided to the employee by the employing organizations, if an employee is employed by more than one licensed authorized organization, from exceeding 50 percent of the total premium owed. Deletes existing text providing that the value of health insurance or a benefit provided by a licensed authorized organization to an employee is not included under Subsection (a)(8) (relating to fees for certain persons and services).

SECTION 2. Effective date: September 1, 2011.