

BILL ANALYSIS

Senate Research Center
85R1703 DDT-F

S.B. 549
By: Kolkhorst
State Affairs
3/28/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

License fees for a bingo conductor's license can be as much as \$3,300 per year. If an organization chooses to withdraw its application or the Bingo Division denies the application, the organization cannot get a refund on any portion of the license fees.

In 2013, the Texas Lottery Commission (commission) issued legal opinions indicating the commission did not have statutory authority to refund charitable bingo-related license application fees, or a portion thereof, to applicants who withdraw their applications or whose applications are denied. The commission does have express authority in the State Lottery Act to refund a portion of a lottery sales agent's license application fee. The Bingo Enabling Act provides that the commission shall set the fees for a conductor or lessor license application fee in an amount necessary to defray administrative costs but not less than the amounts set out in the Act.

Bingo-related license application fees must be submitted with the application or the application is considered "incomplete" and will be returned unprocessed to the applicant. The commission's 2018-2019 Legislative Appropriations Report Efficiency Measures indicate the projected average cost per application processed for 2018 and 2019 is \$25.

S.B. 549 provides express authority to the commission to refund license fees and allows the commission to retain a portion of the license, not to exceed the lesser of 50 percent of the fee or \$150, in order to defray the commission's administrative cost of processing the application.

As proposed, S.B. 549 amends current law relating to refunds of certain bingo licensing and registration fees.

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 2001.103, Occupations Code, by adding Subsection (a-1), as follows:

(a-1) Requires the Texas Lottery Commission (commission), on request, to refund to an authorized organization the \$25 temporary license fee submitted under Subsection (a) (relating to authorizing an organization to receive a temporary license to conduct bingo by completing certain steps) not later than the 30th day after the date the commission receives the request for the refund, if:

- (1) the authorized organization does not use the temporary license to conduct bingo before the first anniversary of the date of the license's issuance; or
- (2) the authorized organization requests withdrawal of the application before the temporary license is issued, except the commission is authorized to retain an

amount not to exceed 50 percent of the license fee to defray any administrative cost incurred by the commission in processing the application.

SECTION 2. Amends Section 2001.104, Occupations Code, by adding Subsection (f), as follows:

(f) Requires the commission to refund the fee for an initial or renewal license to conduct bingo if the applicant requests withdrawal of the application before the license is issued or if the commission denies the application, except the commission is authorized to retain a certain amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 3. Amends Section 2001.158, Occupations Code, by adding Subsection (e), as follows:

(e) Requires the commission to refund the fee for an initial or renewal commercial lessor license if the applicant requests withdrawal of the application before the license is issued or if the commission denies the application, except the commission is authorized to retain a certain amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 4. Amends Section 2001.205, Occupations Code, by adding Subsection (c), as follows:

(c) Requires the commission to refund the fee for an initial or renewal manufacturer's license if the applicant requests withdrawal of the application before the license is issued or if the commission denies the application, except the commission is authorized to retain a certain amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 5. Amends Section 2001.209, Occupations Code, by adding Subsection (c), as follows:

(c) Requires the commission to refund the fee for an initial or renewal distributor's license if the applicant requests withdrawal of the application before the license is issued or if the commission denies the application, except the commission is authorized to retain a certain amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 6. Amends Section 2001.306, Occupations Code, by adding Subsection (f), as follows:

(f) Requires the commission to refund the fee for amending an issued license if the applicant requests withdrawal of the amendment application before the amended license is issued or if the commission denies the amendment application, except the commission is authorized to retain a certain amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 7. Amends Section 2001.313, Occupations Code, by adding Subsection (b-3), as follows:

(b-3) Requires the commission to refund the fee for an initial or renewal registration application if the applicant requests withdrawal of the application before the applicant is listed on the registry or if the commission denies the registration and listing, except the commission is authorized to retain a specified amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 8. Amends Section 2001.437, Occupations Code, by adding Subsection (i), as follows:

(i) Requires the commission to refund the fee for an initial or renewal unit manager license if the applicant requests withdrawal of the application before the license is issued or if the commission denies the application, except the commission is authorized to retain a certain amount to defray any administrative cost incurred by the commission in processing the application. Requires the commission to issue the refund not later than the 30th day after the date the commission receives the withdrawal request or denies the application.

SECTION 9. Makes application of Chapter 2001, Occupations Code, as amended by this Act, prospective.

SECTION 10. Effective date: September 1, 2017.