

1-1 By: Zaffirini S.B. No. 643
1-2 (In the Senate - Filed January 27, 2023; February 17, 2023,
1-3 read first time and referred to Committee on State Affairs;
1-4 March 13, 2023, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; March 13, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Hughes	X		
1-9	Paxton	X		
1-10	Bettencourt	X		
1-11	Birdwell		X	
1-12	LaMantia	X		
1-13	Menéndez		X	
1-14	Middleton	X		
1-15	Parker	X		
1-16	Perry	X		
1-17	Schwertner	X		
1-18	Zaffirini	X		

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the conduct of charitable bingo.
1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. Section 2001.002(19), Occupations Code, is
1-24 amended to read as follows:
1-25 (19) "Nonprofit organization" means an unincorporated
1-26 association or a corporation that is incorporated or holds a
1-27 certificate of authority under Chapter 22, Business Organizations
1-28 Code [~~the Texas Non-Profit Corporation Act (Article 1396-1.01 et~~
1-29 ~~seq., Vernon's Texas Civil Statutes)]. The organization:
1-30 (A) may not distribute any of its income to its
1-31 members, officers, or governing body, other than as reasonable
1-32 compensation for services; and
1-33 (B) must have obtained tax exempt status under
1-34 Section 501(c), Internal Revenue Code of 1986.
1-35 SECTION 2. Section 2001.103, Occupations Code, is amended
1-36 by amending Subsection (e) and adding Subsections (f-1) and (i) to
1-37 read as follows:
1-38 (e) Notwithstanding Subsection (c), an authorized
1-39 organization that holds a regular [~~an annual~~] license to conduct
1-40 bingo that is effective for one year may receive not more than 48
1-41 [24] temporary licenses during the 12-month period following the
1-42 issuance or renewal of the license. The holder of a regular license
1-43 that is effective for two years may receive not more than 48 [24]
1-44 temporary licenses for each 12-month period that ends on an
1-45 anniversary of the date the license was issued or renewed.
1-46 (f-1) The commission shall provide for the on-demand
1-47 electronic issuance of a temporary license requested under this
1-48 section by the holder of a regular license.
1-49 (i) The notice requirements of Sections 2001.305(b) and (c)
1-50 do not apply to a temporary license issued to the holder of a
1-51 regular license.
1-52 SECTION 3. Sections 2001.305(b) and (c), Occupations Code,
1-53 are amended to read as follows:
1-54 (b) Except as provided by Section 2001.103(i), immediately
1-55 [Immediately] after issuing a license, the commission shall send a
1-56 copy of the license to the appropriate governing body. The
1-57 governing body shall file the copy of the license in a central file
1-58 containing licenses issued under this chapter.
1-59 (c) Except as provided by Section 2001.103(i), not [Not]
1-60 later than the 10th day after the date a license is issued, the
1-61 commission shall give written notice of the issuance of the license~~

2-1 to:

2-2 (1) the police department of the municipality in which
2-3 bingo will be conducted, if bingo is to be conducted in a
2-4 municipality; or

2-5 (2) the sheriff of the county in which bingo will be
2-6 conducted, if bingo is to be conducted outside a municipality.

2-7 SECTION 4. Section 2001.413, Occupations Code, is amended
2-8 to read as follows:

2-9 Sec. 2001.413. PAYMENT [~~ADMISSION CHARGE~~] REQUIRED. Except
2-10 as provided by Section 2001.4155, a licensed authorized
2-11 organization may not offer or provide to a person the opportunity to
2-12 play bingo without payment [~~charge~~].

2-13 SECTION 5. Section 2001.420(b), Occupations Code, is
2-14 amended to read as follows:

2-15 (b) A person may not offer or award on a single bingo
2-16 occasion prizes with an aggregate value of more than \$5,000
2-17 [~~\$2,500~~] for all bingo games other than:

2-18 (1) pull-tab bingo; or

2-19 (2) bingo games that award individual prizes of \$50 or
2-20 less.

2-21 SECTION 6. Section 2001.435(b), Occupations Code, is
2-22 amended to read as follows:

2-23 (b) Each member of a unit shall deposit into the unit's
2-24 bingo account all funds derived from the conduct of bingo, less the
2-25 amount awarded as cash prizes [~~under Sections 2001.420(a) and (b)~~].
2-26 The deposit shall be made not later than the third [~~second~~] business
2-27 day after the day of the bingo occasion on which the receipts were
2-28 obtained.

2-29 SECTION 7. Sections 2001.451(b), (g), and (i), Occupations
2-30 Code, are amended to read as follows:

2-31 (b) Except as provided by Section 2001.502(a), a licensed
2-32 authorized organization shall deposit in the bingo account all
2-33 funds derived from the conduct of bingo, less the amount awarded as
2-34 cash prizes [~~under Sections 2001.420(a) and (b)~~]. Except as
2-35 provided by Subsection (b-1), a deposit must be made not later than
2-36 the third business day after the day of the bingo occasion on which
2-37 the receipts were obtained.

2-38 (g) The bingo operations of a licensed authorized
2-39 organization must ~~+~~

2-40 [~~(1) result in net proceeds over the organization's~~
2-41 ~~license period; or~~

2-42 [~~(2) if the organization has a two-year license,~~
2-43 ~~result in net proceeds over each 24-month~~ [~~12-month~~] period that
2-44 ends on the second [~~an~~] anniversary of the date the [~~two-year~~]
2-45 license was issued.

2-46 (i) Prize fees [~~held in escrow for remittance to the~~
2-47 ~~commission~~] are not included in the calculation of operating
2-48 capital under Subsection (h) if the prize fees are:

2-49 (1) held in escrow for remittance to:

2-50 (A) the commission; or

2-51 (B) a county or municipality; or

2-52 (2) retained by a licensed authorized organization.

2-53 SECTION 8. Sections 2001.502(b) and (c), Occupations Code,
2-54 are amended to read as follows:

2-55 (b) Notwithstanding Subsection (a)(2), each quarter, a
2-56 licensed authorized organization or unit that collects a prize fee
2-57 under Subsection (a) for a bingo game conducted in a county or
2-58 municipality that was entitled to receive a portion of a bingo prize
2-59 fee as of January 1, 2019, shall remit 50 percent of the amount
2-60 collected as the prize fee to the commission and shall remit or
2-61 deposit the remainder of the amount collected as the prize fee as
2-62 follows:

2-63 (1) if the county [~~or municipality~~] in which the bingo
2-64 game is conducted voted before November 1, 2019, to impose the prize
2-65 fee and [~~remit 50 percent of the amount collected as the prize fee~~
2-66 ~~to:~~

2-67 [~~(A) the county that voted to impose the fee by~~
2-68 ~~that date, provided~~] the location at which the bingo game is
2-69 conducted:

3-1 (A) is not within the boundaries of a
 3-2 municipality, remit 50 percent of the amount collected as the prize
 3-3 fee to the county [~~that voted to impose the prize fee by that date~~];
 3-4 or

3-5 (B) is within the boundaries of a [~~the~~
 3-6 municipality that:
 3-7 (i) voted before November 1, 2019, to
 3-8 impose the prize fee, remit 50 percent of the amount collected as
 3-9 the prize fee in equal shares to the county and municipality [~~by~~
 3-10 ~~that date, provided the county in which the bingo game is conducted~~
 3-11 ~~did not vote to impose the fee by that date~~]; or

3-12 (ii) did not vote before November 1, 2019,
 3-13 to impose the prize fee, remit 25 percent of the amount collected as
 3-14 the prize fee to the county and deposit the remaining amount in the
 3-15 manner described by Subdivision (3);

3-16 [~~(C) in equal shares, the county and the~~
 3-17 ~~municipality, provided each voted to impose the fee before that~~
 3-18 ~~date, or]~~

3-19 (2) if the county in which the bingo game is conducted
 3-20 did not vote before November 1, 2019, to impose the prize fee and
 3-21 the location at which the bingo game is conducted is within the
 3-22 boundaries of a municipality that voted before November 1, 2019, to
 3-23 impose the prize fee:

3-24 (A) remit 25 percent of the amount collected as
 3-25 the prize fee to the municipality; and

3-26 (B) deposit the remaining amount in the manner
 3-27 described by Subdivision (3); and

3-28 (3) if neither the county or municipality in which the
 3-29 bingo game is conducted voted before November 1, 2019, to impose the
 3-30 prize fee, deposit the remainder of the amount collected as the
 3-31 prize fee in the general charitable fund of the organization or on a
 3-32 pro rata basis to the general funds of the organizations comprising
 3-33 the unit, as applicable, to be used for the charitable purposes of
 3-34 the organization or organizations.

3-35 (c) The governing body of a county or municipality that
 3-36 voted to impose a prize fee under Subsection (b) [~~(b)(1)~~]
 3-37 may at any time vote to discontinue the imposition of the fee. If a county or
 3-38 municipality votes on or after November 1, 2019, to discontinue the
 3-39 fee, the fees to which the county or municipality, as applicable,
 3-40 was entitled before the vote shall be collected by the licensed
 3-41 authorized organization or unit as defined by Section 2001.431 and
 3-42 deposited as provided by Subsection (b)(3) [~~(b)(2)~~].

3-43 SECTION 9. Section 2001.513(a), Occupations Code, is
 3-44 amended to read as follows:

3-45 (a) At any time within three years after a person is
 3-46 delinquent in the payment of an amount of the fee on prizes due to
 3-47 the commission, the commission may collect the amount under this
 3-48 section.

3-49 SECTION 10. Section 2001.514(a), Occupations Code, is
 3-50 amended to read as follows:

3-51 (a) To secure payment due to the commission of the fee on
 3-52 prizes imposed under this subchapter, each license holder shall
 3-53 furnish to the commission:

3-54 (1) a cash bond;

3-55 (2) a bond from a surety company chartered or
 3-56 authorized to do business in this state;

3-57 (3) certificates of deposit;

3-58 (4) certificates of savings;

3-59 (5) United States treasury bonds;

3-60 (6) subject to the approval of the commission, an
 3-61 assignment of negotiable stocks or bonds; or

3-62 (7) other security as the commission considers
 3-63 sufficient.

3-64 SECTION 11. Section 2001.515, Occupations Code, is amended
 3-65 to read as follows:

3-66 Sec. 2001.515. COMMISSION'S DUTIES. The commission shall
 3-67 perform all functions incident to the administration, collection,
 3-68 enforcement, and operation of the fee on prizes imposed under this
 3-69 subchapter for amounts due to the commission, including any

4-1 necessary reconciliation of a prize fee held by the commission that
4-2 is due to a county or municipality.

4-3 SECTION 12. Sections 2001.420(a) and 2001.459(b),
4-4 Occupations Code, are repealed.

4-5 SECTION 13. Notwithstanding any other law, if an executive
4-6 order issued by the governor before the effective date of this Act
4-7 had the effect of prohibiting the conduct of bingo occasions under
4-8 Chapter 2001, Occupations Code, the payment by a licensed
4-9 authorized organization to a licensed commercial lessor of rent
4-10 charges that were incurred and paid during the period in which the
4-11 conduct of bingo was prohibited are not subject to:

4-12 (1) the limits on rent charged provided by Section
4-13 2001.406(a), Occupations Code; or

4-14 (2) the requirement that an item of expense for the
4-15 conduct of bingo be reasonable or necessary provided by Section
4-16 2001.458(a), Occupations Code.

4-17 SECTION 14. Not later than January 1, 2024, the Texas
4-18 Lottery Commission shall adopt the rules necessary to implement the
4-19 changes in law made by this Act to Chapter 2001, Occupations Code.

4-20 SECTION 15. This Act takes effect September 1, 2023.

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