



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/15/2019

ALL

Item Creation Date: 10/2/2019

ARA-Continuation of Charitable Bingo Prize Fees

Agenda item #:29.

Background:

The Administration and Regulatory Affairs Department (ARA) recommends that City Council adopt an ordinance to approve the City's continued receipt of bingo prize fees under Section 2001.502 of the Texas Occupations Code and notify each licensed authorized organization and the Texas Lottery Commission (TLC) of the City's intent to continue receipt of funds.

Charitable Bingo games are authorized by the State of Texas under Chapter 2001.001 of the State Occupations Code, the "Bingo Enabling Act." Bingo games, equipment and licensing fees are regulated by the TLC's Charitable Bingo Operations Division.

Under the current rules, eligible cities and counties are entitled to a percentage of the five percent "prize fee" collected from each person who wins a bingo prize of more than \$5. There are currently 70 charitable bingo establishments licensed by the TLC in Houston. Fees from these games generate around \$200,000 per year for the General Fund.

House Bill 914, passed by the 86th Texas Legislature and signed into law on June 14, 2019, changed the way prize fees are collected and distributed. Under HB 914, any city or county receiving bingo prize fees as of January 1, 2019 must seek approval by a majority vote of the members of the city or county's governing body to continue receipt of such funds and notify each licensed authorized organization and the TLC of their intent to continue collecting prize fees by November 1, 2019.

Additionally, effective Jan. 1, 2020, local governments will no longer receive their bingo prize fee payments from TLC at the end of the fiscal year. After Jan. 1, 2020, licensed organizations conducting bingo in a jurisdiction that has fulfilled all of the requirements of Section 11 of H.B. 914 will remit to that jurisdiction, allocations up to 50% of the prize fees the charitable organizations collect payable on a quarterly basis. The ARA Department's Franchise Division will manage the collection of these fees for the City.

To allow the City to continue to collect these fees, ARA recommends that the City Council adopt an ordinance to approve the City's continued receipt of bingo prize fees under Section 2001.502 of the Texas Occupations Code and notify each licensed authorized organization and the TLC of the City's intent to continue receipt of funds.

ARA will bring a second ordinance to council that will codify the process and procedures for licensed organizations to submit their fees to the City.

Departmental Approval Authority:

DocuSigned by:
A handwritten signature in black ink that reads "Tina Paez".

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Tina Paez, Director

Other Departmental Authorization

**Administration & Regulatory
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