

# Frequently Asked Questions concerning the 86<sup>th</sup> Legislative session

## General

House Bill 914 removed the Texas Lottery Commission (Commission) from the process of distributing bingo prize fees to local governments. Historically, bingo organizations have remitted all prize fees to the Commission, which then distributed those fees to local governments at the end of the fiscal year. Beginning, January 1, 2020, bingo organizations themselves will be required to properly distribute prize fees to their local government(s) within 25 days of the end of each fiscal quarter. The Commission will continue to have regulatory authority over bingo organizations and will continue to fulfill its enforcement and auditing duties. That said, HB 914 created new requirements for local governments and bingo organizations related to prize fees that are entirely independent of the Commission. As such, local governments now have an independent responsibility and ability to ensure that prize fees are properly paid. If you have further questions about the payment of prize fees you may want to consider seeking independent legal advice.

## Occasions

**Question** HB 882 increased the maximum duration of a bingo occasion from four to six hours effective June 16, 2019. My organization was approved prior to June 16, 2019 for a four-hour occasion. We would like to hold a six-hour occasion. What do we need to do?

**Answer** Submit a completed Conductor License Amendment (FORMID 11). Do not begin playing during the extended hours until your amendment is approved by the bingo division and you receive your amended license(s). You may only play during the designated hours that are specified on your license.

## Payment of Prize Fees

**Question** How do I know if my organization/unit is within a jurisdiction that is owed a prize fee allocation?

**Answer** HB 914 requires counties and municipalities to notify organizations in their respective jurisdictions concerning prize fees. The Charitable Bingo Operations Division website has an unaudited listing of counties and municipalities regarding their voting status. If you have further questions about the payment of prize fees you may want to consider seeking independent legal advice.

**Question** What does “where they are located” mean regarding prize fee allocations?

**Answer** The location where your bingo occasion(s) is conducted determines which jurisdiction receives a prize fee. A conductor that moves to or holds temporary bingo occasions in a different county or municipality may be required to allocate to multiple counties or cities based upon the location of the event. You may visit the Charitable Bingo Operations Division website for information regarding the voting status of your county/municipality. If you have further questions about the payment of prize fees you may want to consider seeking independent legal advice.

**Question** Is my organization/unit required to pay the State bingo prize fees?

**Answer** Yes. The State is owed its share of bingo prize fees. The State's share of prize fees will be either 50% or 100% of the prize fees collected during an occasion. If you have further questions about the share of prize fees, you may want to consider seeking independent legal advice.

**Question** Will the Charitable Bingo Operations Division notify my organization/unit how cities/municipalities voted?

**Answer** No. Local governments are responsible for notifying all conductors in their jurisdiction that they voted to continue receiving prize fees. You may visit the Charitable Bingo Operations Division website for information regarding the voting status of your county/municipality. If you have further questions about the payment of prize fees you may want to consider seeking independent legal advice.

**Question** How can conductors/units determine the percentage owed to local governments?

**Answer** The local government entities will be notifying the conductors as to the status of their vote to assist conductors in determining the percentage owed to local governments. If you have further questions about the percentage amount of allocations owed to local counties and municipalities, you may want to consider seeking independent legal advice.

**Question** Are both Annual license holders and Non-Annual Temporary license holders required to make bingo prize fee allocations to counties and/or municipalities?

**Answer** Yes. If you conduct bingo, you are required to provide the appropriate bingo prize fee allocation payment to the counties or municipalities of your playing location(s). If you have further questions about the amount of allocations owed to local counties and municipalities, you may want to consider seeking independent legal advice.

**Question** Can the county and/or municipality charge a late fee for untimely receipt of a prize fee allocations?

**Answer** Assessment of late fees or penalties are at the discretion of the county/municipality. Contact your local jurisdiction to determine whether late fees or penalties will be assessed for untimely payment of prize fee allocations.

**Question** If an organization/unit paid the State their bingo prize fee allocation and not the city and/or municipality, will that impact my license?

**Answer** Non-payment of bingo prize fees to a county or municipality is a compliance issue that may result in administrative action by the Commission which may include license revocation. Administrative action recommended by the Charitable Bingo Operations Division Director can range from a warning to license revocation, and/or the assessment of a monetary administrative penalty.

**Question** Will there be a list of delinquent organizations/units that did not pay counties and/or municipalities available to the public?

**Answer** Currently, there are no plans for the Charitable Bingo Operations Division to maintain a list of organizations/units that are delinquent.

**Question** Is it CBODs' responsibility to notify an organization/unit of unpaid prize fees owed to a county and/or municipality?

**Answer** The Commission will not know if an organization/unit has or has not paid prize fees to a county and/or municipality. However, if the issue is identified by a local jurisdiction or in a compliance activity conducted by CBOD, the organizations/unit will be reminded of its responsibility to pay bingo prize fees to the appropriate jurisdictions.

## Quarterly Reports

**Question** Are there any changes in HB 914 that will impact our 2019 fourth quarterly report? If so, how will those changes impact my fourth quarter – quarterly report?

**Answer** Yes, HB 914 will impact your fourth quarter quarterly report. Fourth quarter quarterly reports and payments received by December 31, 2019 will be processed as usual. Additional information, including important filing dates have been sent to the conductors.

**Question** If my organization conducts bingo occasions in different counties/municipalities, how does the organization/unit properly file the quarterly report?

**Answer** If your organization conducts bingo occasions in different counties/municipalities, you will need to complete the FORMID 156. Summary totals paid to each payee type are submitted and reported on this form. Submit and file FORMID 156

according to the specified instructions. Remember to maintain a copy of the form for your organization's records. This is required for both Regular Annual License and Non-Annual Temporary License organizations.

**Question** Can my organization/unit amend a quarterly report in Bingo Service Portal?

**Answer** No. Your organization/unit will need to submit a paper amended quarterly report. We hope to have this capability available in the future.

## Bingo Gift Certificates

**Question** How has HB 914 impacted how we report bingo gift certificates?

**Answer** Bingo gift certificates awarded as a prize are considered a merchandise prize. Under HB 914, effective January 1, 2020, an organization/unit will no longer collect the bingo prize fee on merchandise prizes, including bingo gift certificates. There are no changes to reporting and recordkeeping requirements for bingo gift certificates.

## Pull-tabs

**Question** If an organization is part of a unit and a different organization conducts consecutive occasions in one day, can all pull-tab sales from the aggregate of each occasion be counted in the final occasion?

**Answer** No. HB 914 specifically allows a **SINGLE** organization that conducts consecutive occasions in one day to record the aggregate of pull-tab sales from all occasions in the final occasion record.

## Accounting

**Question** Can member organizations of a unit extend their deposit deadline to three days?

**Answer** No. The extended deadline to three days only applies to Regular Annual Licensed Organizations. licensed authorized organizations not a member of an accounting unit. Organizations that are members of a unit must deposit bingo occasion proceeds within two days according to Tex. Occ. Code § 2001.435(b).

## **Merchandise**

**Question** Does Merchandise include dauber, bags, seat cushions, bingo troll dolls, bingo t-shirts or hats? Please provide examples of merchandise.

**Answer** Examples of merchandise include

- Seat cushion
- Mug/cup
- Scarf/hat/shirt/bib/visors
- Crafts – art
- Book: Bingo phrases/quotes/jokes; history
- Decorations- table cloths; knick-knacks
- bingo games for home play
- jewelry
- troll dolls; dauber/troll bag
- bingo posters

HB 914 specifically lists bingo daubers as a merchandise prize not subject to the bingo prize fee if awarded as a prize for a bingo game. By rule, the Charitable Bingo Operations Division provides examples of items that may be considered “other bingo merchandise.” See Rule Texas Administrative Code, Chapter 402

## Non-cash prizes

**Question** What forms do you recommend documenting non-cash prizes?

**Answer** Information maintained in your accounting records should support the amount reported as non-cash prizes. We recommend documenting non-cash prizes on one or more of the following forms: The Occasion Cash Report FORMID 72, Occasion Schedule Prizes FORMID 73, or the Sales Journal FORMID 76 should identify the amount that will be recorded on the quarterly report that is submitted to the CBOD.

## Military Spouses

**Question** Joe B. relocated to our city from Georgia. His spouse is stationed at a local army base in Texas. Joe was a bingo worker in Georgia. Can I hire him and let him immediately work?

**Answer** Joe B. would need to complete the FORMID 46 - Application for Registry of Bingo Workers, especially sections K-O under the Provisional Employment section along with a FORMID 138 - Military Service Members, Military Veterans or Military Spouses form to claim the military exemption. Once the application has been submitted to the Charitable Bingo Operations Division and reviewed, the individual may work under the provisional status while stationed in Texas for up to three years. Worker Register only required for Regular Annual Licensed Organizations only.

