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TEXAS HOUSE OF REPRESENTATIVES

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September 19, 2019

Winston Krause
Chairman
Texas Lottery Commission
611 East 6th Street
Austin, Texas 78701

Dear Chairman Krause:

It has come to my attention that House Bill 914 (86R) contains an unintended ambiguity regarding the allocation to local governments and bingo charities of prize fees collected by the charities from bingo players.

The purpose in passing H.B. 914 was to keep with the spirit of our Texas Constitution in requiring "all proceeds from the games are spent in Texas for charitable purposes of the organization." House Bill 914 provides an opportunity for the charities to obtain additional proceeds from their bingo operations by allowing cities and counties that previously received a portion of the fees to opt not to impose the fees going forward. If a local government opts not to impose the fee, the charities would be required to deposit the money into their general funds to be used solely for charitable purposes.

The ambiguity involves situations in which a bingo hall is located in a county that previously received a portion of the prize fees and also in a city that previously received a portion of the fees. The Legislature's intention was to have the share previously received by a local government that opted out to go to the charity, such that if before November 1st the county opted in and the city opted out, the city's share would go to the charities. It was not the Legislature's intent, in that scenario, for the city's share to go to the county, which would deprive the charity of money it generates through its bingo operations. This intent can be seen by the fact that the statute clearly provides that if either local government opts out on or after November 1st, the money from a local government that opts out goes to the charity and not the other local government. The Legislature did not intend a different allocation of these prize fees depending on whether the vote took place before or after October 31st and there would be no conceivable policy reason to do so.



page 2 (cont'd)
September 19, 2019

I understand that the fees in question will not belong to the State of Texas or come through the Commission and that this matter is of interest to the local governments and the charities that conduct bingo within their jurisdictions. The Legislature sought to maintain this revenue to eligible local governments who opt in but also allow them to defer to the organizations that use their bingo funds to perform charitable activities in their jurisdictions.

I would appreciate your agency providing a copy of this letter to any local government that raises the issue addressed in this letter with your agency or with which your staff has previously communicated regarding the issue.

Thanks for your consideration of my request.

Sincerely,


Senfronia Thompson
State Representative

ST/mm