

A Message From
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The purpose of this message is to provide an update of the Amended Administrative Rules.

On October 1, 2020, the Texas Lottery Commission (Commission) adopted the following amendments to the bingo rules. The changes are effective as of October 22, 2020.

402.200 (General Restrictions on the Conduct of Bingo), **402.300** (Pull-Tab Bingo), **402.301** (Bingo Card/Paper), **402.400** (General Licensing Provisions), **402.401** (Temporary License), **402.404** (License Classes and Fees), **402.408** (Designation of Members), **402.420** (Qualifications and Requirements for Conductor's License), **402.450** (Request for Waiver), **402.451** (Operating Capital), **402.502** (Charitable Use of Net Proceeds Recordkeeping), **402.511** (Required Inventory Records), **402.601** (Interest on Delinquent Tax), **402.602** (Waiver of Penalty, Settlement of Prize Fees, Rental Tax, Penalty and/or Interest), **402.700** (Denials; Suspensions; Revocations; Hearings), **402.702** (Disqualifying Convictions), and **402.703** (Audit Policy) with changes to the proposed text as published in the August 21, 2020 issue of the *Texas Register* (45 TexReg 5724).

Amended Rules

The amendments to **Rule 402.200(h)** provide that any licensed authorized organization, rather than just those with a non-annual license, may accept or award donated prizes.

The amendments to **Rule 402.200(i)(4)** remove the requirement that organizations maintain final game schedules in their records.

The amendments to **Rule 402.300(b)(4)** will eliminate the requirement that manufacturers submit a specified number of pull-tab tickets to the Commission for testing after the ticket artwork has been approved.

The amendments to **Rule 402.301(a)(3) and (11)** will clarify that a bonus number can be any number on a bingo card so long as the number is identified as such prior to the start of a bingo game.

The amendments to **Rule 402.400(e)** provide that an incomplete original application will be returned, rather than denied, 21 days after the Commission requests more information if the applicant fails to respond.

The amendments to **Rule 402.400(l)** provide that a license may be placed in administrative hold at any time, rather than only at the time of license renewal;

The amendments to **Rules 402.401(b)(3) and 402.401(d)(3)(D)** remove the requirement that a conductor display verification from the Commission during a temporary bingo occasion, thus allowing for the use of temporary-on-demand licenses;

The amendments to **Rule 402.404** remove references to organization license fees, which no longer exist;

The amendments to **Rule 402.408** allow for a designated member of an organization to renew and print licenses online;

The amendments to **Rule 402.420** correct the requirements for licensure of authorized organizations related to time-in-existence;

The amendments to **Rule 402.450** provides clarification on what information a waiver request should include and provides that a business plan will be presumed credible if it includes that information and the requesting organization has not been granted a waiver in the previous three years; **Rule 402.450** has been modified to include more specific descriptions of what is included and considered in a waiver application and a credible business plan.

The amendments to **Rule 402.451(b)(2)** provide that bingo account calculations will include prize fees held in the bingo account to be paid to local governments or charitable accounts.

The amendments to **Rule 402.502(c)(5) and (6)** provide clarification that organizations may, but are not required to, maintain certain documentation for all charitable distributions;

The amendments to **Rule 402.511** provide that the Commission will create a form for maintaining perpetual inventory that organizations may use.

The amendments to **Rules 402.601 and 402.602** remove all references to rental and gross receipts taxes because they are no longer collected.

The amendments to **Rule 402.700(b)** provide for a temporary suspension process and guidelines. Of this rule, and accordance with Tex. Occ. Code 2001.105, this process will apply to any organization with an officer, board member, or employee with a gambling or fraud conviction. In accordance with Tex. Occ. Code 2001.154, 202, and 207, this process will apply to any commercial lessor, manufacturer, or distributor that has a person required to be named on the license application with a gambling or fraud conviction.

The amendment to **Rule 402.700(b)** has also been modified to provide that, in the cases described above, the Director will give the licensee the opportunity to remove the disqualifying person prior to ordering a temporary suspension.

The amendments to **Rule 402.702(c)(2)** correct a citation to the Texas Code of Criminal Procedure;

The amendments to **Rule 402.702(d)** provide that the Commission “may” treat certain deferred adjudications as convictions, rather than doing so “generally”;

The amendments to **Rule 402.702(e)** add manufacture, delivery, or possession with the intent to deliver of a controlled substance to the list of directly related offenses;

Finally, the amendments to **Rule 402.703(c)(3)** and (d)(2) provide that audits will be completed within one year of an entrance conference and that organizations will be provided with no more than two letters requesting records in an audit.

If you have questions, please contact us via e-mail at bingo.services@lottery.state.tx.us or by phone at 800-BINGO-77 (800-246-4677) and follow the prompts.