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TEXAS LOTTERY COMMISSION

Anthony J. Sadberry, *Executive Director*

Philip D. Sanderson, *Charitable Bingo Operations Director*

CERTIFIED MAIL NO. 7004 1350 0000 5061 8853
RETURN RECEIPT REQUESTED

BAO # 2008-0717-0010

July 29, 2008

Drew Petersen
3613 Williams Dr., Suite 501
Georgetown, Texas 78628

Re: Bingo Advisory Opinion Request # 2008-0717-0010

Dear Mr. Petersen:

This advisory opinion responds to your request received on July 17, 2008. You requested an advisory opinion on whether there have been any amendments to Section 2001.452 of the Bingo Enabling Act (BEA) (Tex. Occ. Code) that allow for the use of on-line bill pay or electronic transfer of funds from the bingo account to pay invoices. You also asked about the process to request clarification or amendment of the section.

ANSWER:

There have not been any amendments to Section 2001.452 of the BEA that allow for use of on-line bill pay or electronic transfer of funds. Section 2001.452 limits the means of withdrawals from a bingo account by providing:

- (a) Funds from the bingo account must be withdrawn by preprinted, consecutively numbered checks or withdrawal slips, signed by an authorized representative of the licensed authorized organization and made payable to a person. A check or withdrawal slip may not be made payable to "cash," "bearer," or a fictitious payee. The nature of the payment made must also be noted on the face of the check or withdrawal slip.
- (b) The checks for the bingo account must be imprinted with the words "Bingo Account" and must contain the organization's bingo license number on the face of each check.
- (c) A licensed authorized organization shall keep and account for all checks and withdrawal slips, including voided checks and withdrawal slips.

Section 2001.452 clearly mandates the means by which funds may be withdrawn from the bingo account. It does not permit on-line bill pay or electronic transfer of funds. Accordingly, licensed authorized organizations may not make payments from their bingo

accounts by on-line bill pay or other electronic transfers. The Texas Lottery Commission does not have authority to permit on-line bill pay or other electronic payments from a bingo account. The authority to amend statutes resides with the Texas Legislature.

SUMMARY

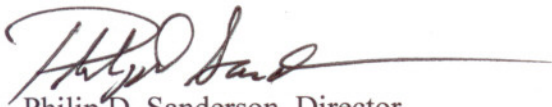
Section 2001.452 of the Bingo Enabling Act does not permit a licensed authorized organization to make payments from its bingo account by on-line bill pay or other electronic transfers. The Texas Legislature has authority to amend statutes.

This advisory opinion cannot be construed as a tax ruling or otherwise interpretive of the Internal Revenue Code. The information provided is completely limited to the context of the Bingo Enabling Act and the Charitable Bingo Administrative Rules.

This advisory opinion is based on the laws, rules and regulations in effect at the time of its issuance. All of the information provided herein is subject to change in law.

This opinion is purely advisory in nature and is limited to the particular questions at issue and to the facts presented in the request. Therefore, this opinion must not be relied upon as a previous determination regarding any conduct which is not substantially consistent with the opinions and facts stated in the request.

Yours truly,



Philip D. Sanderson, Director
Charitable Bingo Operations Division

cc: James A. Cox, Jr., Chairman
David J. Schenck, Commissioner
Anthony J. Sadberry, Executive Director
Kimberly L. Kiplin, General Counsel