

BAO 2005-0406-0046	Date Issued: 06/06/2005	View Request <a href="#">RQ 2005-0406-0046</a>
Summary:	Neither the Bingo Enabling Act (Tex. Occ. Code Chapter 2001) nor the Charitable Bingo Administrative Rules (16 TAC Chapter 402) permit a person to operate under another person's license.	

CERTIFIED MAIL NO. 7001 2510 0001 4202 4081

BAO # 2005-0406-0046

June 6, 2005

Tres Gray  
Austin Capital Group, L.L.C.  
8868 Research Blvd., Suite 500  
Austin, Texas 78758

Re: Bingo Equipment Manufacturer or Distributor License

Dear Mr. Gray:

On April 6, 2005, the Texas Lottery Commission (Commission) received your advisory opinion request. Below is your summary question<sup>[1]</sup> followed by the Commission's answer.

I would like to request on opinion on requirements for a subsidiary company to operate under a parent company's license in the state of Texas.

I am attempting to determine the requirements under the Bingo Enabling Act or the Texas Administrative Code related to Bingo Regulation governing the ownership of a company (subsidiary) by a licensed manufacturer or distributor, and what parameters must be met for that company (subsidiary) to be allowed to operate under the license of the "parent company".

ANSWER:

Your letter raises a number of questions about "requirements for a subsidiary company to operate under a parent company's license in the state of Texas." All of your questions are premised on the assumption that one person may "operate under" another person's license.

The Bingo Enabling Act sets out certain licensing requirements in connection with charitable bingo. Tex. Occ. Code §§ 2001.101 (license to conduct bingo); 2001.151 (commercial lessor license); 2001.201 (manufacturer's license); 2001.206 (distributor's license); 2001.251 (system service provider license). In no case, however, may one person "operate under" another person's license. Therefore we are unable to answer the specific questions you have asked because all of the questions are premised on the incorrect assumption that one person may "operate under" another person's license.

Under the provisions of the Bingo Enabling Act, a license is issued to a "person." Tex. Occ. Code §§ 2001.101 (license to conduct bingo); 2001.151 (commercial lessor license); 2001.201 (manufacturer's license); 2001.206 (distributor's license); 2001.251 (system service provider license). The term person means "an individual, partnership, corporation, or other group." Tex. Occ. Code §2001.002 (21). In some instances, the Lottery Commission has issued a license to a group made up of several entities. In those instances, the group "operates under" a single license issued to the group.

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#### SUMMARY

Neither the Bingo Enabling Act (Tex. Occ. Code Chapter 2001) nor the Charitable Bingo Administrative Rules (16 TAC Chapter 402) permit a person to operate under another person's license.

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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,

William L. Atkins, Director  
Charitable Bingo Operations Division

cc: C. Tom Clowe, Jr., Chairman  
James A. Cox, Jr., Commissioner  
Rolando Olvera, Commissioner  
Kimberly L. Kiplin, General Counsel

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[\[1\]](#) The summary question was followed by fifteen specific questions related to the summary question.