

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
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21
22
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24
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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS LOTTERY COMMISSION
AUSTIN, TEXAS
BINGO ADVISORY COMMITTEE MEETING

DECEMBER 8, 2022

10:00 a.m.

AT

STEPHEN F. AUSTIN STATE OFFICE BUILDING
1700 Congress Avenue, Room 170
Austin, Texas 78701

Proceedings reported by electronic sound recording;
transcript prepared by Verbatim Reporting & Transcription
LLC.

APPEARANCES

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COMMITTEE MEMBERS:

William T. Smith III (Trace), Chairman

Will Martin

Tommy Duncan, Jr.

Melodye Green

Emile Bourgoyne

Corey Harris

Jason Pohl

Michael Anastasio

Veronica Uriegas

COMMISSION STAFF:

LaDonna Castañuela, Director of Charitable Bingo Operations

Tyler Vance, Assistant General Counsel

PUBLIC:

Kimberly Kiplin, Esq.

Steve Bresnen, Bingo Interest Group

Glenn Goulet, K & B Sales Inc., Good-Time Action Games

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PAGE

1. Call to order. 4

2. American Pledge. 4

3. Texas Pledge 4

4. Roll call. 4

5. Meeting minutes from October 12, 2022 meeting: 6
a. Public comment.
b. Approval.

6. Website review - Corey Harris. 7

7. Shutter card bingo systems - Kimberly Kiplin 14
a. Public comment.
b. Action.

8. 8. Discussion on upcoming legislative session: . . . 17
a. Public comment.

9. Old business:. 19
a. Public comment.
b. Action.

10. New business: 20
a. Public comment.
b. Action.

11. Set date for next meeting 35

12. Adjourn 36

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

THURSDAY, DECEMBER 8, 2022 (10:00 a.m.)

AGENDA ITEM 1

CHAIRMAN SMITH: All right. Well, it is 10:05. We will call to order the Bingo Advisory Committee meeting for the Texas Lottery Commission. We will begin our meeting with the American Pledge, followed by the Texas Pledge.

AGENDA ITEM 2 and 3

CHAIRMAN SMITH: Also, before we get started, want to make sure everybody understands that if you are going to speak, please come up to the podium so we can make sure we get your voice on the microphone and on camera because we are recording today. So we'll start with the American Pledge and Texas Pledge.

(Pledges recited)

AGENDA ITEM 4

CHAIRMAN SMITH: All right. We're going to go to roll call. Melodye is here. Tommy Duncan is here. Michael Anastasio is here. I am here. And online we have Corey Harris.

MR. HARRIS: I am here.

CHAIRMAN SMITH: Jason Pohl. No luck. He didn't get in? I know he was trying to dial in.

MR. DUNCAN: No, he's in. I see his number up

1 there.

2 MS. CASTAÑUELA: Is that Jason? The 979
3 number?

4 MR. DUNCAN: Uh-huh.

5 MS. CASTAÑUELA: Jason, you've got your
6 microphone muted.

7 MR. POHL: I'm here.

8 MR. DUNCAN: There you go.

9 CHAIRMAN SMITH: All right. Thank you, sir.
10 Good to have you with us. Emile?

11 (No response)

12 CHAIRMAN SMITH: I can't see that. Is that
13 number still up there?

14 MR. DUNCAN: Wasn't that the 337 number?

15 CHAIRMAN SMITH: Yeah.

16 CHAIRMAN SMITH: Is it still up there?

17 MR. DUNCAN: I don't see it.

18 MS. CASTAÑUELA: 37 number is not there
19 anymore.

20 CHAIRMAN SMITH: All right. Okay.

21 MS. CASTAÑUELA: (Indiscernible)

22 CHAIRMAN SMITH: Okay. All right.

23 MR. VANCE: He was for a little bit.

24 CHAIRMAN SMITH: Okay. We'll come back to
25 that then. Veronica.

1 UNIDENTIFIED VOICE: She's trying to sign in.

2 CHAIRMAN SMITH: She's trying to sign in? All
3 right. And Will Martin. Will is not going to be with us
4 today.

5 MR. DUNCAN: I don't see him up there.

6 CHAIRMAN SMITH: So, Will has been feeling
7 under the weather, so we definitely wish him get well and a
8 speedy recovery. Okay. So we're waiting on Emile, Veronica,
9 and Will will not be here. Okay. If y'all -- if they get
10 in, I guess it'll notify us? Okay.

11 MR. VANCE: It won't make a sound or anything
12 as far as that, but it will pop up on the list.

13 CHAIRMAN SMITH: Okay.

14 MR. VANCE: So, we can alert your attention
15 and you can call them out.

16 CHAIRMAN SMITH: Okay. All right. Okay.

17 AGENDA ITEM 5

18 CHAIRMAN SMITH: Moving on to item number
19 five, meeting minutes from October 12th, 2022. Is there any
20 public comment from the transcripts from that?

21 (No response)

22 CHAIRMAN SMITH: Okay. Any other comments
23 from that? Any questions? No? Would somebody like to --

24 MS. GREEN: I motion we accept the --

25 CHAIRMAN SMITH: Okay.

1 MS. GREEN: -- (indiscernible) at this time.

2 MR. DUNCAN: I'll second.

3 CHAIRMAN SMITH: All right. I have a motion
4 to accept the meetings as printed on the website.

5 MR. DUNCAN: I second.

6 CHAIRMAN SMITH: We have a second. All in
7 favor aye.

8 (Chorus of "ayes")

9 CHAIRMAN SMITH: Any opposed?

10 (No response)

11 CHAIRMAN SMITH: Okay. Meeting minutes are
12 approved.

13 AGENDA ITEM 6

14 CHAIRMAN SMITH: Number six, website review.
15 Corey Harris.

16 MR. HARRIS: Yes, sir.

17 CHAIRMAN SMITH: Corey, we got your email and
18 we eagerly await your assessment of the website and any
19 ideas.

20 MR. HARRIS: Well, first I do want to
21 apologize to everybody for not being in there in person. I
22 had meetings both Monday and Tuesday, all day in Austin. So
23 every once in a while I do have to get to work. But I
24 apologize for having to join you all remotely. Thankfully,
25 we do have this option.

1 Mr. Chairman, so my assessment of the website
2 as stated to some of the members is that functionally,
3 there's nothing wrong with the website at all. I do think
4 there's a way that we can make the content more easily
5 available to what certain groups of people are looking for.
6 So my suggestion was, when you go to the landing page of the
7 site, it ought to be divided into two sections; public
8 section and private section. So private being those who are
9 working in the bingo halls or in the gaming industry, and
10 public for anybody looking for information about hosting
11 bingo, attending bingo, rules of public bingo and our
12 commission and committee's information for the public to
13 access. That way we can divide it in half the amount of time
14 people are looking for things.

15 So if they're having to comb through the
16 website, if you're a public member, you shouldn't have to
17 comb through all the backdoor stuff of gaming regulations.
18 You know, all that kind of stuff that we have to deal with
19 because that doesn't pertain to you.

20 So we can cut down their search time and maybe
21 get the information they're looking for a little bit faster.
22 One thing we could also look at is the analytics of the site
23 and moving the things that are most frequently searched for
24 to the priority. So, a lot of times there's a back door tool
25 in web designing where you can see the frequency of a link

1 that's visited.

2 So if the Frequently Asked Questions link is
3 clicked on 562 times a month, you can see that. If the BAC
4 committee minutes is clicked on three times a month, you can
5 see that. So we ought to be able to prioritize the things
6 that are most frequently sought out and clicked on, which
7 would again, move that information to the front and make it
8 more easily attainable for people looking for it.

9 So there's nothing wrong with it. There's
10 just some ways that we can move the pieces around and perhaps
11 make the website a little bit more user friendly and put the
12 information that people are most likely searching for to the
13 forefront of the website, so that way they're more likely to
14 find it.

15 CHAIRMAN SMITH: Gotcha. Anyone have any
16 questions on this or anything to add? Melodye? Anyone?

17 MS. GREEN: Yes, I do. Every time you have a
18 audit, they do ask you for all your workers and your
19 operators; a list of all those. They're listed on your
20 website, which is nice. There's no way to print it off. I'd
21 like to have a print button because it got to the point where
22 I was just taking a picture of it and emailing it to my
23 auditor instead of having to write it again and again because
24 this is information that you've made available, which is real
25 nice. So my suggestion is could we just have a print button

1 on that so I quit sending pictures of the website?

2 MS. CASTAÑUELA: Okay. Thank you, Melodye.
3 I'm aware that you made this request. I talked to Vivian
4 about it. She had a little explanation for me. Do you
5 remember that explanation you gave me about it on -- I don't
6 remember all the details of it.

7 (Feedback)

8 Sorry about that. Sorry. So what I
9 understand is that there's a security issue with that, with
10 making a print button right there. There's also some
11 resource issues with the division. So, you know, we're
12 looking at it. It's certainly on a wish list right now for
13 you. I don't know how soon it can happen.

14 CHAIRMAN SMITH: Okay.

15 MS. CASTAÑUELA: I appreciate the input.

16 MS. GREEN: Thank you for looking into it.

17 MS. CASTAÑUELA: Yeah.

18 MR. ANASTASIO: I want to support what Corey
19 brought up, that separating what the public has to page
20 through and what we have to page through. I just tried to
21 show a couple of folks how to get to the Bingo Service Portal
22 so they could set up their online accounts, stuff like that.
23 I swear I was 10 minutes looking for where that button was
24 for Bingo Service Portal on that front page.

25 It's real stylized. It's real pretty. Now

1 that I've seen it, I'll go back to it easily again, but I've
2 always been just using the bookmark on my computer. I
3 couldn't find a way on their computer to get to it, so.

4 So making that a little bit more business-like
5 rather than stylized and pretty, and maybe separating those
6 business things from what the public has to page through
7 might be helpful.

8 MR. HARRIS: And if I could just one more
9 comment about that, and why this would be extremely
10 beneficial for us to do, is because we're talking about an
11 activity that even though it's a recreational activity, it's
12 a highly regulated activity. And so the public really needs
13 to be able to access the information that they're looking
14 for. If they're looking to host a charity game, attend a
15 charity game, we need to make sure that that information is
16 front and center foremost, so that way there's very --
17 there's transparency on our end, and they know exactly what
18 they're getting into, what they can expect, so we just --
19 it's very important that the public's able to access that
20 information.

21 CHAIRMAN SMITH: And I think that is on the
22 very front page for the public, isn't it? Yeah. That's --
23 so, yeah. Good observation, Corey.

24 Any other comments on this at the time? My
25 only comment is that it's difficult to find the -- when we do

1 have a BAC meeting or a Commission meeting, we have to --
2 it's a series of finding where to look. And if you just go
3 to look under News and Events, I don't know, maybe it's just
4 me; an event would be a meeting or something like that.
5 That's where I typically go to and it's taken me a long time
6 to retrain myself to go down to About Us and --

7 MS. CASTAÑUELA: About Us.

8 CHAIRMAN SMITH: Yeah, because that -- I don't
9 know, I don't know that it fits that category and I'm --

10 MS. CASTAÑUELA: I'm with you on that. I lost
11 it also.

12 CHAIRMAN SMITH: Yes.

13 MS. CASTAÑUELA: And I'm looking into
14 something, looking into an option, but I've got to talk to
15 the folks that can really make it happen.

16 CHAIRMAN SMITH: Right. I know -- I know that
17 -- I know there's some IT issues going on and they're working
18 on a lot of other things, getting things still moved over.
19 We just wanted to capture this item on our agenda since we're
20 required to, it's in our work plan. We want to make sure we
21 get on this and not leave anything behind, so. But we do
22 appreciate you doing that for us.

23 All right. Any other comments? Public
24 comment?

25 MS. CASTAÑUELA: Well, I think Trace, I think

1 Tyler?

2 CHAIRMAN SMITH: Oh, Tyler? Yes sir.

3 MR. VANCE: Trace, not on this, but it looks
4 like Emile's logged in. If we could get him to just state
5 his attendance on the record.

6 CHAIRMAN SMITH: Emile, are you there, sir?

7 MS. CASTAÑUELA: Emile, I think your
8 microphone is muted. Are you there?

9 (No response)

10 CHAIRMAN SMITH: No? Okay.

11 MR. VANCE: His number was there, but Emile,
12 as soon as you can, please speak up and let us know that
13 you're here for the record.

14 CHAIRMAN SMITH: All right. Okay. If no
15 other comments on the website review, Corey, thank you for
16 doing that. We appreciate the work you did on that. I think
17 you're definitely spot on.

18 We're going to go on --

19 MR. HARRIS: And thank you for allowing me to
20 serve.

21 CHAIRMAN SMITH: Yes, sir.

22

23 AGENDA ITEM 7

24 CHAIRMAN SMITH: Let's go on to item number
25 seven, shutter card bingo systems. Kim Kiplin. Kim, you

1 hearing us okay today?

2 MS. KIPLIN: Yes, I do.

3 CHAIRMAN SMITH: Excellent.

4 MS. KIPLIN: Just for the record, my name is
5 Kimberly Kiplin. I'm an attorney in Austin, Texas, and I
6 represent the petitioners on trying to get proposed rules
7 initiated for public comment. Just for the record, those
8 petitioners were Daniel R. Moore, Incorporated, K&B Sales
9 Inc., and Roy Bingo Supplies of Texas, Inc. All three are a
10 Texas licensed distributor of bingo equipment. I also
11 represent a manufacturer of a shutter card bingo system. And
12 the records in the past are firm on why he's not, or that
13 manufacturer's not -- was not a petitioner.

14 I want to express appreciation to the staff
15 for the work that you all have done on these draft proposed
16 rules that are in front of the Bingo Advisory Committee today
17 for their consideration on recommending that the Commission
18 vote to approve publication of these rules, proposed rules,
19 in the Texas Register for public comment.

20 I also want to put on the record that I have
21 reviewed the rules along with my clients and we are once
22 again very appreciative of the staff's time putting these
23 together. We look forward to participating in the rulemaking
24 process. We likely will have comments. And I think the best
25 place for that is during the public comment period.

1 I'm happy to answer any questions that anybody
2 has regarding the process, the proposed rules that we filed
3 with petition and of course, the staff's proposed rules.

4 CHAIRMAN SMITH: Thank you, Kim. Does anybody
5 have any questions? Staff have any comments? Anything?

6 So, basically what we are tasked with doing is
7 -- as the BAC, is recommending whether we think these rules
8 should be published in the comment period, is that correct?
9 It's more of a vetting?

10 MR. VANCE: Yeah, that's correct. On Monday
11 at the Commission meeting when you'll give your report of
12 BAC, one of those items should be whether or not BAC supports
13 this proposed rulemaking.

14 CHAIRMAN SMITH: Excellent. So we're not
15 voting to approve this, we're voting to send it to the public
16 comment period for the rulemaking process. So -- just so
17 everybody's clear on that.

18 MS. GREEN: Okay.

19 MS. KIPLIN: So if I could just interject.
20 What we're really doing finally is we're actually trying to
21 move forward to initiate the rulemaking process. And there's
22 several different stages of that.

23 First is to request that you all approve
24 moving forward to initiate that rulemaking process, to then
25 have these rules published for public comment, you know,

1 receive public comment. So that's that part. And at the
2 Lottery Commission meeting, you know, we're -- we will
3 support staff's recommendation that these rules do get
4 published for public comment in the Texas Register. That's
5 the first part.

6 The next part is the public comment period.
7 Can be no less than 30 days generally, and in this case it's
8 the same. There will be public comment hearing where people
9 who want to, can come in person and comment. People can also
10 submit written comment. And then those comments will all be
11 evaluated by the staff in moving forward to hopefully
12 recommend to the Commission that the rules be adopted; a
13 final adoption, either in the stage that they've been
14 proposed or in light of comments maybe be changed.

15 But right now what we're trying to do is move
16 forward to begin the formal rulemaking process. And that's
17 what our ask is of the Bingo Advisory Committee.

18 MS. GREEN: Okay. Well, I motion that we move
19 forward to the formal rules process; is that what she was
20 saying?

21 CHAIRMAN SMITH: Rulemaking process, yes.

22 MS. GREEN: Rulemaking process.

23 CHAIRMAN SMITH: Yes. Okay.

24 MR. DUNCAN: I second it.

25 CHAIRMAN SMITH: All right. We have a motion

1 and a second to approve the rulemaking process going forward.
2 All in favor?

3 (Chorus of "ayes")

4 CHAIRMAN SMITH: Any opposed? None opposed.

5 Emile said that he has logged in, can see and
6 hear us, but he is under anonymous.

7 MR. DUNCAN: He had to log in under anonymous.
8 Can y'all activate him or?

9 UNIDENTIFIED VOICE: We're in communication
10 with him.

11 CHAIRMAN SMITH: Are you?

12 MR. DUNCAN: Oh, okay.

13 CHAIRMAN SMITH: Okay.

14 UNIDENTIFIED VOICE: Yeah, we're trying.

15 CHAIRMAN SMITH: Okay. Excellent. All right.
16 Excellent.

17 AGENDA ITEM 8

18 CHAIRMAN SMITH: Moving on to item number
19 eight, legislative update, discussion on upcoming Legislative
20 Session. Steve Bresnen.

21 MR. BRESNEN: Good morning. I'm Steve Bresnen
22 here on behalf of the Bingo Interest Group. First I want to
23 say thanks to all of y'all for serving; all of y'all online,
24 all of them here present, taking your time to do this. It's
25 clear to me you're not getting rich by serving on the Bingo

1 Advisory Committee. So thank you for your volunteer work on
2 behalf of the industry.

3 We have had one bill filed in the house by
4 representative Senfronia Thompson. It's the same bill as
5 passed the senate committee last session with one change.
6 Instead of raising the prize cap on regular bingo prizes to
7 \$3,500 as we would've done last session, we set that amount
8 at \$5,000.

9 We have had some feedback at our request from
10 the agency on some items in the bill that could stand some
11 clarification. Steve Fenoglio and I are working through
12 those. We've communicated to the staff that we'll get back
13 to them. In all likelihood, the soonest you could have a
14 hearing on that bill would be 75 days from now. And so we
15 have plenty of time to make whatever changes and what we
16 would do is make whatever changes might be advisable and put
17 them in a substitute bill to be considered at that committee
18 hearing. And we'll make sure everybody in the industry knows
19 what we're doing while we're doing it.

20 There's been one other bill filed unless it
21 happened in the last few days; I haven't had time to look at
22 the bill filing list. But that had -- it was sort of an
23 omnibus gaming bill constitutional amendment filed by Senator
24 Carol Alvarado and I'm at a complete blank to remember the
25 bill number.

1 So we'll keep working with Ms. Thompson's
2 office. We'll have a Senate bill sponsor here shortly, get
3 the bill filed on the Senate side. We're reaching out to the
4 Governor's office to make sure we're keeping them informed of
5 what we're doing and testing the waters there. But they're
6 doing significant reorganization at the staff level up there.
7 Got a great -- Gardner Pate, a great person to be the new
8 Chief of Staff up there. And so they're going to be
9 appointing people to have their oversight responsibilities
10 from the Governor's office, forthwith, I am sure.

11 Unless y'all have any questions, that
12 concludes what I had to say.

13 CHAIRMAN SMITH: Thank you, Steve.

14 MR. BRESNEN: Okay. Thanks.

15 CHAIRMAN SMITH: Anyone else?

16 (No response).

17 CHAIRMAN SMITH: Nope. Alright. Excellent.

18 AGENDA ITEM 9

19 CHAIRMAN SMITH: All right. Moving on to
20 number nine, old business. Anyone have any old business they
21 want to address at this time?

22 (No response)

23 CHAIRMAN SMITH: Nope. Okay. All right.

24 AGENDA ITEM 10

25 CHAIRMAN SMITH: Moving on to number 10, new

1 business. I think there's some new business on the agenda.
2 Emile, are you able to speak yet?

3 (No response)

4 CHAIRMAN SMITH: Nope.

5 MR. DUNCAN: I can speak a little bit on what
6 he was going to talk about.

7 CHAIRMAN SMITH: Okay.

8 MR. DUNCAN: He was talking about subset
9 games. Subset games are already legally legal in Texas and
10 they can be approved, whether it be a board game, an
11 individual deal with 10 subsets, 12 subsets, lettered A
12 through L, A through J, and so forth. So, the question that
13 was posed to Emile that he emailed all of us, it's already,
14 we can already do this.

15 CHAIRMAN SMITH: Okay.

16 MR. DUNCAN: But just to add, you know, with
17 the cost going up, I visited two of the biggest manufacturers
18 in the last two days, got in late last night, trying to lower
19 the cost of our products, you know, seeing what we could do.
20 But I was also privy to seeing some technology that's going
21 on around the country that at some point, us, in Texas, we've
22 got to really look at this stuff. It's game changing stuff.

23 You know, we just -- we've got to come into
24 the 21st century if we're going to save bingo, because we're
25 going to be priced out in the next two years. The whole

1 industry.

2 MR. ANASTASIO: I could not agree with that
3 more. I mean, I'm looking, if changes aren't made to what we
4 can sell and what we can bring in, three years from now
5 there's no reason to do bingo. I mean, I won't have enough
6 money to give away after paying for overhead.

7 MR. DUNCAN: Well, the problem is, is we're
8 bound by the 35 percent profit, which is fine, but we're --
9 with the rising cost, and we're all going to get another
10 price increase next month, so that's what we have to look
11 forward to. But once we start hitting, taking 18 to 20
12 percent of the 30 to 35 percent that these tabs are, you
13 can't afford to operate. That's paper tab, that's
14 everything. Ink.

15 MR. ANASTASIO: And the big problem is here,
16 we can't raise our prices without raising our prizes. I
17 mean, there's -- if you sell a \$1 pull-tab for a \$1.25,
18 people will notice and they will be angry.

19 MR. DUNCAN: Well, you can't do that.

20 MR. ANASTASIO: I know. That's just -- I'm
21 just saying if they -- if they just change the prices on
22 there, it's not going to do us any good. If we started
23 selling our paper at a higher cost, it's not going to do any
24 good because they're going to look at that and say, it's
25 still the same \$100 prize. I'm not playing that game.

1 MR. DUNCAN: No, they're not.

2 CHAIRMAN SMITH: I certainly sympathize with
3 what you're saying. I really do. There -- there's, I know
4 we're bound a little bit by what we can discuss and what we
5 can't. But I think that -- I think it --

6 MR. DUNCAN: Who do we talk to change that?

7 CHAIRMAN SMITH: The Legislature, we would
8 have to go to the Legislature.

9 MR. DUNCAN: well, you know, we got our
10 marching orders from the Commission and from the director.
11 Shouldn't we start with meetings with them?

12 CHAIRMAN SMITH: I would have to look at the
13 charge for the Bingo Advisory Committee before we did that.
14 I don't -- I'm not specifically familiar with our charge,
15 what we can and can't do. But I -- that may be a better
16 question for Tyler.

17 MR. VANCE: Sure. You're --

18 CHAIRMAN SMITH: Not to put you on the spot or
19 anything, but --

20 MR. VANCE: Part of your charge is to advise
21 the Commission on the general state of bingo economically,
22 legally and what, if anything, there -- there are things that
23 can be changed by the Commission to -- to help you guys out.
24 So if there's anything in the rules, I think though what
25 we're really talking about here is the fact that prize limits

1 haven't gone up in 20 or 30 years and your costs and
2 everything have gone up. So we can't raise the prize limit,
3 that's in the Act, that has to be done by the Legislature.
4 And so the BAC can't really be used to discuss that because
5 it's -- there's nothing the Commission can do about that. So
6 we'd be using Commission resources to discuss a solution that
7 isn't within our power.

8 But if there is anything within the rules that
9 you think can help make bingo more profitable without
10 decreasing security or integrity or anything like that, then
11 that's certainly within the purview of this committee and
12 staff.

13 CHAIRMAN SMITH: So if it was something that
14 wasn't currently legal but it increased security or integrity
15 of the game, that would be something that we would -- we
16 could possibly discuss later on down the line?

17 MR. VANCE: Possibly, depending on the -- if
18 it's clearly legal and authorized within the Bingo Enabling
19 Act currently. If there's something that's not, it's not
20 legal within the Act, there's nothing we can do about that.
21 That's more of a Steven Bresnen issue.

22 CHAIRMAN SMITH: Gotcha.

23 MR. VANCE: That needs to be changed in the
24 Legislature.

25 CHAIRMAN SMITH: I just want to make sure we

1 stay on task and don't get --

2 MR. DUNCAN: Right.

3 CHAIRMAN SMITH: -- get over the red line.

4 MR. DUNCAN: Can you tell me -- can you tell
5 me if it was legislatively approved that bingo paper went to
6 card-minders? How did that transpire? Are you familiar with
7 that?

8 MR. VANCE: That bingo paper went to card-
9 minders?

10 MR. DUNCAN: Yeah. We used to play on bingo
11 paper, then when card-minders came out, all we did was
12 transfer the bingo paper to the card-minder.

13 MR. BOURGOYNE: (Indiscernible).

14 CHAIRMAN SMITH: Hello?

15 UNIDENTIFIED VOICE: I believe that was Emile.

16 MR. DUNCAN: We finally got him -- Emile, are
17 you on, Buddy?

18 MR. VANCE: I will say the card-minders are in
19 the Act, so they were -- at some point, the Bingo Enabling
20 Act was amended to allow for card-minders. I wasn't around
21 back when it happened, but I would imagine before they were,
22 they would've been illegal or at least highly controversial.
23 And so, you know, at that stage it had -- it took legislative
24 action to clearly authorize the use of electronic
25 card-minders.

1 MR. DUNCAN: So to amend the Bingo Enabling
2 Act has to be done legislatively?

3 MR. VANCE: Correct. Yeah, in general, state
4 agencies, under which you guys fall and we all fall
5 obviously, aren't allowed to do any kind of lobbying activity
6 towards the Legislature to change laws. We only have
7 authority over the rules.

8 So again, if there's anything within the rules
9 that you see that you think can be changed, that's open for
10 discussion.

11 MR. DUNCAN: Which brings me to my next
12 question. You know, a couple years ago you sat in, Kim sat
13 in, we did a rulemaking process. Is that coming up again in
14 '23?

15 MR. VANCE: It's every four years.

16 MR. DUNCAN: It's every four years.

17 MR. VANCE: A full review, yeah.

18 MR. DUNCAN: Okay.

19 CHAIRMAN SMITH: There he is.

20 MR. DUNCAN: So that -- so I think it was only
21 -- Kim, do you remember that? I think it was only a couple
22 of years ago. Was it two or three years ago? We all sat in
23 the room and made some rules changes?

24 MS. KIPLIN: To answer that question, I do not
25 --

1 MR. DUNCAN: We can look it up. I mean, it's
2 not -- we can --

3 MR. VANCE: It started right before COVID and
4 then --

5 MR. DUNCAN: So I think it was '18 or '19,
6 wasn't it?

7 MR. VANCE: Yeah, I think it started in '19.

8 MR. DUNCAN: Well, then '23 would be four
9 years.

10 MS. KIPLIN: Well, the agency is required to
11 conduct a review of its administrative rules every four
12 years. And that's the rule review process; that might be
13 what you were referring to.

14 MR. DUNCAN: Yes.

15 MS. KIPLIN: That's not exclusive to
16 opportunities to amend rules or proposed rule amendments
17 just, you know, without having to go through the rule review.
18 So there was a rulemaking that occurred some time ago, and
19 that had to do with bringing the customer accounts, you know,
20 into the card-minding systems in particular. And then I
21 believe the video display of a pull-tab. And that's -- as we
22 know, it's a little bit more limited because we had a
23 subsequent rulemaking where we wanted it to be a much broader
24 brush on video display of all pull-tabs and that rulemaking
25 did not transpire into adopting amendments.

1 So I'm not sure if that's what you were
2 thinking about or -- but that's what I recall. And you know,
3 my memory's starting to get fuzzy, so there are other people
4 in the audience that can step on me if I'm wrong on that.

5 CHAIRMAN SMITH: I do remember that, Kim. I
6 think that's a pretty fair assessment of what went on.

7 MR. DUNCAN: Think you there too, Melodye,
8 weren't you? We went through every rule in the 400. in the
9 pull-tab rule --

10 CHAIRMAN SMITH: Yes.

11 MR. DUNCAN: -- to see if any of them could be
12 -- words could be changed.

13 CHAIRMAN SMITH: Yeah.

14 MS. GREEN: And I will give them this. They
15 did change to where we could have temporaries on demand.

16 MR. DUNCAN: They did.

17 MS. GREEN: That was one of the rules and that
18 took a while. It took a minute.

19 MR. DUNCAN: Well, I was just wondering when
20 we can do that again.

21 MS. GREEN: Tomorrow.

22 MR. DUNCAN: Yeah.

23 CHAIRMAN SMITH: Well, I think you can --

24 MR. DUNCAN: '23.

25 MR. VANCE: You guys can always bring --

1 MS. GREEN: Anytime.

2 MR. VANCE: -- any change to the rules. So we
3 do that systematically, every agency has to do that to their
4 rules every four years. But if there's any rule that you
5 guys ever want to consider, bring it up and if the BAC
6 recommends changing it, Trace recommends it to the
7 commissioners, and commissioners can tell me to do it, and
8 that's how the process works.

9 MR. DUNCAN: Gotcha.

10 MR. VANCE: Of course, within the limits of
11 your guidance that was provided for your, you know, your
12 annual guidance, to stay within the framework of what the BEA
13 provides and more importantly, what's not provided for.

14 CHAIRMAN SMITH: Absolutely.

15 MS. GREEN: Well, this is very serious. Just,
16 I mean, a few minutes ago, Glenn, who is my distributor, just
17 showed me a sheet of paper which said, hang on, we're going
18 to go up again what, 10 to 15 percent?

19 MR. DUNCAN: Yes. They're not 3 and 5 percent
20 anymore. They're 10 to 15, 18.

21 MS. GREEN: And that's after they've already
22 gone up. So this is a very -- it's shocking.

23 CHAIRMAN SMITH: Glenn, would you like to come
24 speak on this?

25 MR. GOULET: Yes, I would. Thank you, Trace.

1 For the record --

2 CHAIRMAN SMITH: Incidentally, before you say,
3 Will Martin is on, he's under anonymous, but he is --

4 MS. GREEN: Oh, good.

5 CHAIRMAN SMITH: -- listening and watching.

6 MR. VANCE: And we understand Veronica is on.

7 CHAIRMAN SMITH: Veronica's on as well?

8 Excellent.

9 MR. GOULET: For the record, my name is Glenn
10 Goulet, I'm the President of K & B Sales, Good-Time Action
11 Games. And what Melodye was referring to, and I think Tommy
12 was referring to, all of the distributors here in Texas and
13 probably across the country, let me just say, not probably
14 across the country, but across the country, have been
15 receiving both phone calls and actual letters, emails,
16 talking about further price increases. And I've highlighted
17 one sentence here I think that's very important, and this is
18 all the manufacturers. This is not one. However, this
19 letter is from one.

20 They say, this increase will be significant as
21 the pace of the increases we are receiving on raw material
22 and labor have greatly outpaced what we experienced in the
23 past.

24 So to give a percentage, Melodye, they haven't
25 given us a percentage that says this will go up X percent and

1 this product will go up Y percent. But you are correct in
2 that these increases will go up in the 10 percent range. And
3 that's just effective January 1st. But this is not just the
4 first price increase that the charities and the operators
5 have seen this year or over the past two years. These
6 increases have gone up numerous times.

7 So that's -- hopefully that answered the
8 question, gave a little more clarity to it.

9 MS. GREEN: Well, it's getting to the point to
10 where you have, you sell this, you have a 30 percent profit.
11 You know, we don't have that anymore. We're going down to a
12 20, even 15 percent profit on what we sold before. And the
13 other costs are just going up.

14 I know this really only affects me in Dallas
15 and maybe Trace, but Windstar started up again. They had 450
16 people there Friday, Saturday, Sunday playing bingo. All
17 from Dallas.

18 MR. DUNCAN: It affects every market. They're
19 everywhere. Now we have three tribes in Texas that got the
20 go ahead to run full-blown high stakes bingo, casinos,
21 they're building buildings for -- to play thousand dollar
22 bingo games, \$10,000 bingo games. We're going to have to
23 come into the 21st century if we want to compete or like I
24 said, they're just going to run us out.

25 MR. ANASTASIO: Hey, don't leave out the

1 effect of military bases. Fort Hood gives away \$10,000 every
2 Saturday and Sunday.

3 MR. DUNCAN: That's true.

4 MR. ANASTASIO: And --

5 MR. DUNCAN: That is true.

6 MR. ANASTASIO: -- thank goodness most of our
7 customers can't get to Fort Hood.

8 MR. DUNCAN: And the State of Texas gets none
9 of that money from the tribes or the Armed Services, so.

10 CHAIRMAN SMITH: I'm just curious, Tyler or
11 anybody, I don't know. I know the scratch offs are a huge
12 seller for the lottery. Are they experiencing the same price
13 increases that bingo is?

14 MR. VANCE: I'm not --

15 CHAIRMAN SMITH: Or do you have any idea?

16 MR. VANCE: -- (indiscernible) purchasing
17 tickets, I'm not sure about that. I would assume so, but --
18 but I'm not -- I don't have data on what the -- if the costs
19 are rising for production of scratch tickets.

20 CHAIRMAN SMITH: Is it --

21 MR. DUNCAN: I would guess, yes.

22 CHAIRMAN SMITH: Do you know if it's public
23 data that we can look at that like it is for bingo?

24 MR. VANCE: I --

25 CHAIRMAN SMITH: And not to put you on the

1 spot, I'm just asking broad based questions here. I'm not --
2 I'm just --

3 MR. VANCE: I would expect that our general
4 expenses are public information, but again, yeah, I'm not
5 sure.

6 CHAIRMAN SMITH: I was just curious what the -
7 - I was trying to look at maybe a comparison between what the
8 price increases for scratch offs and maybe pull-tabs or maybe
9 even bingo paper was, what the increases were. Maybe to have
10 a comparative note in the back of my mind or something.
11 Okay. Well, thank you. I appreciate that.

12 Any other new business, any other public
13 comment?

14 MR. ANASTASIO: I have one thing that I'd like
15 to put on the agenda for our next meeting.

16 CHAIRMAN SMITH: What you got, sir?

17 MR. ANASTASIO: And that's training both at
18 the portal and possibility of in-person training. I'm going
19 through helping people do the training that they need to
20 stand up a bingo operation right now.

21 CHAIRMAN SMITH: So are you talking about the
22 operator training?

23 MR. ANASTASIO: Operator training, the
24 required training, the --

25 CHAIRMAN SMITH: Yeah, that's the operator

1 training. Okay.

2 MR. ANASTASIO: But, I don't have their
3 feedback yet. By the end of next week, I will probably have
4 all of their feedback and stuff.

5 CHAIRMAN SMITH: Okay.

6 MR. ANASTASIO: If we can bring it up then and
7 I can let you guys know what I --

8 CHAIRMAN SMITH: Excellent.

9 MR. ANASTASIO: -- get from them.

10 CHAIRMAN SMITH: Okay. We don't currently do
11 any -- I say we; the staff doesn't currently do any in-person
12 training anymore, do they?

13 MS. CASTAÑUELA: It's all online.

14 CHAIRMAN SMITH: It's all online? Okay.

15 MR. ANASTASIO: Was that just suspended
16 because of the COVID or was that just the decision made not
17 to do it anymore?

18 MS. CASTAÑUELA: So that was before my time.
19 My understanding is --

20 MR. ANASTASIO: Okay.

21 MS. CASTAÑUELA: -- that it was suspended for
22 COVID. And of course it's a -- it's quite a budget cost, so
23 --

24 CHAIRMAN SMITH: Yes.

25 MS. CASTAÑUELA: -- I'd have to look at that.

1 CHAIRMAN SMITH: Yeah. If memory serves me
2 correctly, they had some serious budget cuts about -- about
3 four or five years ago, like significant, for the Bingo
4 Division and it was easier for people to go online and do it
5 and there was less hassle. I know there was a lot of issues
6 with --

7 MS. CASTAÑUELA: (Indiscernible)

8 CHAIRMAN SMITH: Yeah. And there was issues
9 with people getting their certificate after they had
10 completed it. If they lost it, there wasn't a good record or
11 something. I don't, that was a long time ago. But yeah, I
12 think it was due to budget cuts. But yeah, we'd be glad to
13 put that on the agenda for next time, talk about that.

14 MS. GREEN: Excuse me.

15 CHAIRMAN SMITH: Yes, ma'am.

16 MS. GREEN: Michael, are you going to have
17 information from the people that took the training program?

18 MR. ANASTASIO: Yes, that's -- that --

19 MS. GREEN: Is that what you're going?

20 MR. ANASTASIO: That's what I'm gathering, is
21 people who are pretty new to bingo, going through the
22 training program and then giving me feedback on what it was
23 that they got out of it and what they might need more support
24 on.

25 MS. GREEN: It's pretty nice, but I mean, but

1 when we do it, I mean, it's just the same thing for 30 years.

2 MR. ANASTASIO: Right. I --

3 MS. GREEN: So it would be nice to hear
4 somebody new wondering what, you know, because bingo is very
5 confusing now.

6 MR. ANASTASIO: That's why I want to talk
7 about it next meeting.

8 CHAIRMAN SMITH: Excellent. Thank you, sir.

9 MS. CASTAÑUELA: Happy to get the feedback.

10 CHAIRMAN SMITH: Yeah. All right.

11 AGENDA ITEM 11

12 CHAIRMAN SMITH: If no other new business or
13 public comment, we're going to move on to number 11 and set
14 the date for the next meeting. The next date has already
15 been more or less set, which would be the 10th of February.

16 MS. CASTAÑUELA: February 10th is a Friday.

17 CHAIRMAN SMITH: Yes, it is.

18 MS. CASTAÑUELA: We're scheduled to be in this
19 room at 10:00 in the morning.

20 CHAIRMAN SMITH: Okay.

21 MS. CASTAÑUELA: The Commissioners are meeting
22 on the 15th.

23 CHAIRMAN SMITH: 15th, that's correct.

24 MS. CASTAÑUELA: So this is the -- February
25 10th is the closest and before their meeting that we could

1 get a room.

2 CHAIRMAN SMITH: Gotcha. Does anybody have an
3 issue with the 10th of February?

4 MS. GREEN: All right.

5 CHAIRMAN SMITH: Okay. All right. We'll set
6 it for the 10th of February at 10:00 a.m., right here at 1700
7 Congress. And that's -- all right.

8 MR. HARRIS: I heard you say that was February
9 the 10th?

10 CHAIRMAN SMITH: Correct, sir.

11 MR. HARRIS: Okay. And that'll be at 10:00
12 a.m. I'm sure?

13 CHAIRMAN SMITH: Yes.

14 MR. HARRIS: Okay. I will be in Austin on
15 February the 10th about three blocks from where you're
16 sitting right now for a -- for another meeting.

17 CHAIRMAN SMITH: Okay. All right. Gotcha.
18 All right. Any other comments?

19 (No response)

20 AGENDA ITEM 12

21 CHAIRMAN SMITH: All right. We will adjourn
22 this meeting at 10:45. Thank you, all, and we will see you
23 in February.

24 (Meeting adjourned)

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C E R T I F I C A T E

STATE OF TEXAS)
)
COUNTY OF HARRIS)

I, Kimberly C. McCright, Certified Vendor in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 14th day of December, 2022.

/s/ Kimberly C. McCright
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