



INTEROFFICE MEMO

Gary Grief, Executive Director

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To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Clark E. Smith, Commissioner
Jamey Steen, Commissioner

From: Tyler Vance, Assistant General Counsel *TV*

Date: December 14, 2023

Re: Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §§ 402.200 (General Restrictions on the Conduct of Bingo), 402.203 (Unit Accounting) 402.400 (General Licensing Provisions), 402.401 (Temporary License), 402.404 (License Classes and Fees), 402.405 (Temporary Authorization), 402.413 (Military Service Members, Military Veterans, and Military Spouses), 402.420 (Qualifications and Requirements for Conductor's License), 402.451 (Operating Capital), 402.452 (Net Proceeds), 402.503 (Bingo Gift Certificates), 402.600 (Bingo Reports and Payments), 402.706 (Schedule of Sanctions), and 402.707 (Expedited Administrative Penalty Guideline)

Attached is a draft rule submission to the *Texas Register* to adopt the above-referenced rules without changes to the proposed text as published in the October 27, 2023 issue of the *Texas Register* (48 TexReg 6301) (also attached). The purpose of the amendments is to implement statutory changes required by House Bill 639 (HB 639), Senate Bill 422 (SB 422), and Senate Bill 643 (SB 643) from the Regular Session of the 88th Texas Legislature.

The amendments implementing HB 639 increase the maximum yearly number of temporary bingo licenses that a non-regular authorized organization may receive from 6 to 12.

The amendments implementing SB 422 allow military members to engage in bingo without a license or worker registration for up to three years while they are stationed at a military base in Texas, provided they are similarly licensed or registered and in good standing in another state.

The amendments implementing SB 643 amend the definition of "regular license" to mean a 2-year license to conduct bingo that is not a temporary license; require the Texas Lottery Commission (Commission) to issue to regular licensees 48 temporary licenses (up from 24) for each 12-month period ending on the anniversary of their licensing date; increase the maximum prize value that can be awarded during an occasion from \$2,500 to \$5,000 and eliminate the \$750 prize limit for a single game; allow bingo accounting units three days to deposit bingo funds into their bank account; provide that all of the members of a unit may not be penalized for a violation that is wholly attributable to a specific member or members of the unit; change the required net proceeds period from 12 months to 24 months; and specify that prize fees retained or held in escrow by the authorized organization for remittance to the Commission, a county, or a municipality are not included in the calculation of the organization's operating capital.

On November 13, 2023, the Commission held a public hearing to receive comments on this proposal. No one appeared at the hearing and the Commission did not receive any written comments on the proposed amendments during the public comment period.

Recommendation: Staff recommends that the Commission adopt the amendments to the referenced rules.

1 The Texas Lottery Commission (Commission) adopts amendments to 16 TAC §§ 402.200
2 (General Restrictions on the Conduct of Bingo), 402.203 (Unit Accounting) 402.400 (General
3 Licensing Provisions), 402.401 (Temporary License), 402.404 (License Classes and Fees),
4 402.405 (Temporary Authorization), 402.413 (Military Service Members, Military Veterans, and
5 Military Spouses), 402.420 (Qualifications and Requirements for Conductor’s License), 402.451
6 (Operating Capital), 402.452 (Net Proceeds), 402.503 (Bingo Gift Certificates), 402.600 (Bingo
7 Reports and Payments), 402.706 (Schedule of Sanctions), and 402.707 (Expedited Administrative
8 Penalty Guideline) without changes to the proposed text as published in the October 27, 2023 issue
9 of the *Texas Register* (48 TexReg 6301). The purpose of the amendments is to implement statutory
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22 prize limit for a single game; allow bingo accounting units three days to deposit bingo funds into
23 their bank account; provide that all of the members of a unit may not be penalized for a violation

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2 proceeds period from 12 months to 24 months; and specify that prize fees retained or held in
3 escrow by the authorized organization for remittance to the Commission, a county, or a
4 municipality are not included in the calculation of the organization's operating capital.

5 On November 13, 2023, the Commission held a public hearing to receive comments on
6 this proposal. No one appeared at the hearing and the Commission did not receive any written
7 comments on the proposed amendments during the public comment period.

8 The amendments are adopted under Texas Occupations Code §2001.054, which authorizes
9 the Commission to adopt rules to enforce and administer the Bingo Enabling Act; Texas
10 Government Code §467.102, which authorizes the Commission to adopt rules for the laws under
11 the Commission's jurisdiction; and SB 422 and SB 643, which require the Commission to adopt
12 the rules necessary to implement the changes in the law by December 1st, 2023, and January 1st,
13 2024, respectively.

14 §402.200. General Restrictions on the Conduct of Bingo.

15 (a) A bingo occasion that is fairly conducted by a licensed authorized organization is one that is
16 impartial, honest, and free from prejudice or favoritism. It is also conducted competitively, free of
17 corrupt and criminal influences, and follows applicable provisions of the Bingo Enabling Act and
18 Charitable Bingo Administrative Rules.

19 (b) Inspection and use of equipment.

20 (1) All bingo equipment is subject to inspection at any time by any representative of the
21 Commission. No person may tamper with or modify or allow others to tamper with or modify any
22 bingo equipment in any manner which would affect the randomness of numbers chosen or which
23 changes the numbers or symbols appearing on the face of a bingo card. A licensed authorized

organization has a continuing responsibility to ensure that all bingo equipment used by it is in proper working condition.

(2) A registered bingo worker must inspect the bingo balls prior to the first game of each bingo occasion, making sure all of the balls are present and not damaged or otherwise compromised.

(3) Bingo balls that are missing, damaged, or otherwise compromised shall be replaced in complete sets or individually if the bingo balls are of the same type and design.

(4) A registered bingo worker must inspect the bingo console and flashboard to ensure proper working order prior to the first game of each bingo occasion.

(5) The organization must establish and adhere to, and make available to the players upon request, a written procedure that addresses problems during a bingo occasion concerning:

(A) bingo equipment malfunctions; and

(B) improper bingo ball calls or placements.

(c) Location of bingo occasion. A bingo occasion may be conducted only on premises which are:

(1) owned by a licensed authorized organization;

(2) owned by a governmental agency when there is no charge to the licensed authorized organization for use of the premises;

(3) owned or leased by a licensed commercial lessor; or

(4) leased or used by the holder of a temporary license who does not hold a regular license.

(d) All bingo games must be conducted and prizes awarded on the days and within the times specified on the license to conduct bingo. If a circumstance occurs that would cause a regular bingo game to continue past the time indicated on the license, the licensed authorized organization may complete the regular bingo game. A written record detailing the circumstance that caused the bingo

game to continue past the time indicated on the license must be maintained by the organization for forty-eight (48) months.

(e) Pull-tab bingo event tickets may not be sold after the occurrence of the event used to determine the game's winner(s) unless the organization has a policy and procedure in their house rules addressing the sale and redemption of pull-tab bingo event tickets after the event has taken place.

(f) Merchandise prizes. Any merchandise or other non-cash prize, including bingo equipment, awarded as a bingo prize shall be valued at its current retail price. However, a non-cash prize awarded as a bingo prize may be valued at the price actually paid for that prize provided that the licensed authorized organization maintains a receipt or other documentation evidencing the actual price paid.

(g) "Cash bingo prize" includes cash, coins, checks, money orders, or any other financial instrument that is convertible to cash.

(h) Donated bingo prizes. A licensed authorized organization may accept or award donated bingo prizes. A donated bingo prize shall be valued at its current retail price.

(i) The licensed authorized organization is responsible for ensuring the following minimum requirements are met to conduct a bingo occasion in a manner that is fair.

(1) The licensed authorized organization must make the following information available to players prior to the selling of a pull-tab bingo event ticket game:

(A) how the game will be played;

(B) the prize to be awarded if not United States currency; and

(C) how the winner(s) will be determined.

1 (2) Each licensed authorized organization shall conspicuously display during all bingo
2 occasions a sign indicating the name(s) of the operator(s) authorized by the licensed authorized
3 organization to be in charge of the occasion.

4 (A) The letters on the sign shall be no less than one inch tall.

5 (B) The sign shall inform the players that they should direct any questions or
6 complaints regarding the conduct of the bingo occasion to an operator listed on the sign.

7 (C) The sign should further state that if the player is not satisfied with the response
8 given by the operator that the player has the right to contact the Commission and file a formal
9 complaint.

10 (3) Prior to the start of a bingo occasion, the licensed authorized organization shall make a
11 written game schedule available to all patrons. The game schedule must contain the following
12 information:

13 (A) all regularly scheduled games to be played;

14 (B) the order in which the games will be played;

15 (C) the patterns needed to win;

16 (D) the prize(s) to be paid for each game, including the value of any non-cash bingo
17 prizes as set in subsections (f) and (g) of this section;

18 (E) whether the prize payout is based on sales or attendance;

19 (F) the entrance fee and the number of cards associated with the entrance fee, if
20 any; and

21 (G) the price of each type of bingo card offered for sale.

22 (4) The licensed authorized organization may amend the game schedule during the bingo
23 occasion to correctly reflect any changes to game play during that occasion provided that the

1 amendments are announced to the patrons and documented, in writing, on the game schedule. If
2 not otherwise prohibited by law, the licensed authorized organization may conduct a bingo game
3 that was not originally listed on the game schedule if the game and the prize(s) to be awarded for
4 that game are announced to the patrons prior to the start of the game and documented, in writing,
5 on the game schedule. Upon completion of the bingo occasion, the final game schedule must
6 properly account for all games played during that occasion and the prizes awarded for those games.

7 (j) Reservation of bingo cards. No licensed authorized organization may reserve, or allow to be
8 reserved, any bingo card or cards for use by a bingo player.

9 (k) Bingo worker requirements.

10 (1) Bingo staff and employees may not play bingo during an occasion in which the bingo
11 staff or employees are conducting or assisting in the conduct of the bingo occasion.

12 (2) A bingo worker shall not:

13 (A) communicate verbally, or in any other manner, to the caller the number(s) or
14 symbol(s) needed by any player to win a bingo game;

15 (B) require anything of value from players, other than payment, for bingo cards,
16 electronic card minding devices, pull-tab bingo tickets, and supplies; or

17 (C) deduct any cash or portion of a winning prize other than the prize fee without
18 the player's permission.

19 (l) Caller requirements. The caller shall:

20 (1) be located so that one or more players can:

21 (A) observe the drawing of the ball from the bingo receptacle; and

22 (B) gain the attention of the caller when the players bingo;

23 (2) be the only person to handle the bingo balls during each bingo game;

1 (3) call all numbers and make all announcements in a manner clear and audible to all of
2 the playing areas of the bingo premises;

3 (4) announce:

4 (A) prior to the start of the regular bingo game, the pattern needed to win and the
5 prize. If the prize amount is based on sales or attendance, the prize amount must be announced
6 prior to the end of the game;

7 (B) that the game, or a specific part of a multiple-part game, is closed after asking
8 at least two (2) times whether there are any other bingos and pausing to permit additional winners
9 to identify themselves;

10 (C) whether the bingo is valid and if not, that there is no valid bingo and the game
11 shall resume. The caller shall repeat the last number called before calling any more numbers; and

12 (D) the number of winners for the game.

13 (5) return the bingo balls to the bingo receptacle only upon the conclusion of the game; and

14 (6) not use cell phones, personal digital assistants (PDAs), computers, or other personal
15 electronic devices to communicate any information that could affect the outcome of the bingo
16 game with anyone during the bingo occasion.

17 (m) Verification.

18 (1) Winning cards. The numbers appearing on the winning card must be verified at the time
19 the winner is determined and prior to prize(s) being awarded in order to insure that the numbers
20 on the card in fact have been drawn from the receptacle.

21 (A) This verification shall be done either in the immediate presence of one or more
22 players at a table or location other than the winner's, or displayed on a TV monitor visible by all
23 of the players or by an electronic verifier system visible by all the players.

1 (B) After the caller closes the game, a winning disposable paper card or an
2 electronic representation of the card for each game shall also be posted on the licensed premises
3 where it may be viewed in detail by the players until at least 30 minutes after the completion of
4 the last bingo game of that organization's occasion.

5 (2) Numbers drawn. Any player may request a verification of the numbers drawn at the
6 time a winner is determined and a verification of the balls remaining in the receptacle and not
7 drawn.

8 (A) Verification shall take place in the immediate presence of the operator, one or
9 more players other than the winner, and player requesting the verification.

10 (B) Availability of this additional verification, done as a request from players, shall
11 be made known either verbally prior to the bingo occasion, printed on the playing schedule, or
12 included with the bingo house rules.

13 (n) Each licensed authorized organization must establish and adhere to written procedures that
14 address disputes. Those procedures shall be made available to the players upon request.

15 (o) The total aggregate amount of prizes awarded for regular bingo games during a single bingo
16 occasion may not exceed \$5,000. This subsection does not apply to:

17 (1) a pull-tab bingo game; or

18 (2) a prize of \$50 or less that is actually awarded in an individual game of regular bingo.

19 (p) For purposes of §2001.419 of the Occupations Code, a bingo occasion will be considered to
20 have occurred on the date on which the occasion began.

21 §402.203. Unit Accounting.

22 (a) The provisions of this rule relate only to the accounting, reporting and operation of units in
23 accordance with the Bingo Enabling Act and this chapter. Nothing in this rule shall be construed

as a grant of authority or waiver of responsibility under federal law, including tax law, and other state law.

(b) Definitions. In addition to the definitions provided in §402.100 of this chapter, and unless the context in this section otherwise requires, the following definitions apply:

(1) Default--The term used to describe the status of a licensed authorized organization that does not timely pay for the sale or lease of bingo supplies or equipment as provided in Occupations Code, §2001.218.

(2) Net proceeds--The unit's gross receipts from bingo and gross rental income, if applicable, less prizes awarded and authorized expenses.

(c) Each unit will be assigned an identification number by the Commission.

(d) If a unit dissolves and starts another unit with the same organizations, for all intent and purposes, it is the same unit and is responsible for all liabilities and distributions owed by the prior unit.

(e) Unit Representation.

(1) All units, with the exception of a unit with a Unit Manager, must name a designated agent who is responsible for providing the Commission access to all inventory and financial records of the unit on request by the Commission.

(2) It is the responsibility of the unit's designated agent to provide information to the Commission on:

(A) the unit agreement or trust agreement;

(B) submission of all required forms;

(C) unit Quarterly Report; and

(D) unit's bingo records.

1 (3) The designated agent will make available all unit accounting records to any member of
2 a licensed authorized organization whose organization is a member of the accounting unit within
3 thirty (30) calendar days of the request.

4 (4) The designated agent will provide a copy of all unit accounting records to the bingo
5 chairperson of a licensed authorized organization whose organization was a member of the
6 accounting unit within thirty (30) calendar days of the date of separation.

7 (f) Unit's Use of Proceeds.

8 (1) All distributions of net proceeds of the unit shall be paid from the unit's bingo account
9 to the account designated by the unit member. Each unit member is required to maintain adequate
10 records establishing that the use of such net proceeds is in accordance with Occupations Code
11 §2001.454.

12 (2) All prize fees collected in accordance with Occupation Code, §2001.502 must be
13 deposited in the unit's bingo account and paid from the unit's bingo account.

14 (g) Unit Transactions.

15 (1) Upon prior written consent by the Commission:

16 (A) a licensed authorized organization may make a sale of bingo cards, pull-tab
17 bingo tickets, or a used bingo flash board or blower to a unit;

18 (B) a unit may make a sale of bingo cards, pull-tab bingo tickets, or a used bingo
19 flash board or blower to a licensed authorized organization; or

20 (C) a unit may make a sale of bingo cards, pull-tab bingo tickets, or a used bingo
21 flash board or blower to another unit.

(D) Within thirty (30) calendar days of initially joining a unit, the licensed authorized organization shall notify the Commission of the bingo cards and pull-tab bingo tickets transferred to the unit.

(2) If a member of a unit is in default, a person may not sell or transfer bingo equipment or supplies to the unit on terms other than immediate payment on delivery.

(h) Unit Recordkeeping.

(1) Each unit must file a quarterly report and any required supplements on forms prescribed by the Commission and maintain records to substantiate the contents of the reports.

(2) The unit must adhere to all applicable recordkeeping requirements in the Bingo Enabling Act and Charitable Bingo Administrative Rules.

(3) A member of a unit which is also licensed as a commercial lessor must report its rental income on the unit quarterly report.

(4) Each unit must maintain a log for each bingo occasion indicating the following:

(A) date of the occasion;

(B) licensed authorized organization conducting the bingo occasion; and

(C) operator on duty.

(i) Unit Bingo Account.

(1) The unit must establish and maintain one checking account designated as the "bingo account." The unit must maintain the "bingo account" in compliance with the same provisions of the Bingo Enabling Act and Charitable Bingo Administrative Rules applicable to a licensed authorized organization.

(2) The face of the checks must list the name of the unit, the words "Bingo Account", and the unit's identification number.

1 (3) Only the following may be deposited into the unit's bingo account:

2 (A) proceeds from the conduct of bingo;

3 (B) rent payments received by a unit member that is also a licensed commercial
4 lessor; and

5 (C) funds transferred by new members or funds transferred in accordance with
6 §402.202 of this subchapter (relating to Transfer of Funds).

7 (4) A separate deposit must be made for each bingo occasion conducted. Additionally, all
8 sales and prizes must be recorded in accordance with the rules.

9 (5) All prize fees must be paid from the unit bingo account.

10 (j) Transfer of Funds to the Unit Account by new Members.

11 (1) A licensed authorized organization joining a unit may transfer funds from its previous
12 bingo account into the unit bingo account at the time:

13 (A) the unit is formed;

14 (B) within 60 days of joining an existing unit;

15 (2) Any additional funds transferred to the unit bingo account must comply with §402.202
16 of this subchapter.

17 (3) Funds previously reported on a bingo quarterly report as charitable distributions may
18 not be transferred to the unit bingo account.

19 (4) All net proceeds remaining in the organization's former bingo account at the time it
20 joins a unit must:

21 (A) be disbursed by the last day of the quarter following the date the organization
22 joined the unit; or

1 (B) transferred to the unit bingo account in accordance with paragraph (1) of this
2 subsection.

3 (5) At the time an organization joins a unit, all of its bingo expenses must be paid from the
4 unit bingo account including outstanding bingo expenses and subsequent expenses. The total
5 amount of outstanding bingo expenses should be included in the amount of funds transferred at
6 the time the unit is formed or at the time of joining an existing unit.

7 (6) If a unit member does not have sufficient funds to cover outstanding bingo expenses or
8 the amount required to join the unit, the unit member's portion of the charitable distribution may
9 be reduced until these obligations have been satisfied. This business practice may be used provided
10 that:

11 (A) the exact terms are reflected in the unit agreement;

12 (B) a copy of the unit agreement is provided to the Commission; and

13 (C) the unit meets the charitable distribution requirement.

14 (7) If the organization transferred funds from its previous bingo account into the unit bingo
15 account, the funds must be reported on the unit's "Texas Bingo Quarterly Report" for the quarter
16 they were transferred and on the last "Texas Bingo Quarterly Report" the organization filed as a
17 non-unit member.

18 (8) An organization that is required to file a Texas Bingo Quarterly Report for a period
19 prior to joining a unit must file a Final Disposition of Bingo Proceeds in Bank Account reporting
20 the final disposition of all proceeds in its bingo account. The form must be submitted with the
21 unit's "Texas Bingo Quarterly Report" for that quarter and would be subject to all "Texas Bingo
22 Quarterly Report" filing deadlines, requirements and penalties.

23 (k) Distribution of Funds Upon Withdrawal or Dissolution.

(1) An organization receiving a distribution of funds from the unit's bingo account upon leaving the unit, must classify the distribution as a charitable distribution on the unit's "Texas Bingo Quarterly Report".

(2) Funds distributed as a charitable distribution must be used for the charitable purpose of the organization in accordance with the Bingo Enabling Act and Charitable Bingo Administrative Rules and may not be used to join another unit.

(3) A licensed authorized organization joining or withdrawing from a unit at any time other than at the beginning or ending of a reporting quarter is responsible for filing a separate quarterly report for bingo activities conducted apart from the unit.

(l) Responsibilities of Unit Members.

(1) Each unit member organization is responsible for administering its own bingo occasions and for any violations of the Bingo Enabling Act or Charitable Bingo Administrative Rules that may take place.

(2) Each unit member organization is responsible for maintaining and retaining the bingo records relating to all aspects of its occasions up to and including the point at which the deposit is made into the unit's bingo account.

(3) Each unit member organization is liable for any bingo cash shortages, inventory shortages, or missing or deficient occasion deposits occurring in association with its bingo occasion conducted.

(4) Each unit member organization is responsible for distributing the bingo proceeds received from the unit for its authorized charitable purposes.

(5) If a unit demonstrates that a violation of this subchapter or commission rules is wholly attributable to a specific licensed authorized organization member or members of the unit, a

penalty for the violation may not be imposed on a unit member to which the violation is not attributable and the penalty imposed on a unit member to which the violation is attributable may not be in an amount greater than the amount initially assessed against each unit member.

§402.400. General Licensing Provisions.

(a) Any person who wants to engage in a bingo related activity shall apply to the Commission for a license. The application must be on a form prescribed by the Commission and all required information must be legible, correct and complete. The initial submittal of an application is incomplete if the following information is not provided:

- (1) All information requested on the application form and supplemental forms;
- (2) All supplemental information requested during the pre-licensing investigation period;
- (3) The applicable license fee for a lessor, distributor, or manufacturer; and
- (4) Authorized signatures as required by the Commission.

(b) Information submitted by an applicant on an applicable form shall be considered to be part of the application. Supplemental information should be submitted on a form prescribed by the Commission and all information required must be correct and complete.

(c) Information submitted by an applicant in a format other than an applicable form must be legible and must include the following:

- (1) the name and address of the organization as it appears on the application;
- (2) the Texas taxpayer identification number; or, if sole owner, the individual's social security number;
- (3) a statement identifying the information submitted;
- (4) the signature, printed name and telephone number of the person authorized to submit the information; and

1 (5) all supplemental information requested during the pre-licensing investigation period.

2 (d) Within 21 calendar days after the Commission has received an original application, the
3 Commission will review the application and notify the applicant if additional information is
4 required.

5 (e) If an application is incomplete, the Commission will notify the applicant and, if applicable, the
6 applicant's bingo hall. The applicant must provide the requested information within 21 calendar
7 days of such notification. If the applicant fails to respond within 21 calendar days of the
8 notification, the application will be deemed incomplete and returned to the applicant.

9 (f) For an application to conduct bingo, an organization may choose to submit the application form
10 without including a bond or other security; information regarding previously held licenses; justice
11 precinct, city or county certification; and information on intended playing location, days, times,
12 and starting date.

13 (1) All other information requested on the application and the accompanying supplements
14 must be complete and in compliance with all other requirements of the Bingo Enabling Act and
15 the Charitable Bingo Administrative Rules.

16 (2) Within a number of calendar days required by the Commission on the applicable forms,
17 the organization must remit the required bond or other security to the Commission and inform the
18 Commission on the applicable supplemental forms of the intended playing location, days, times,
19 and starting date of the occasions. If the organization fails to provide the required bond or other
20 security as well as complete and accurate supplement forms within the required timeframe, the
21 Commission will deny the application.

22 (3) An organization that has submitted the appropriate bond or other security and a
23 complete application, including all applicable supplemental forms, must also submit updated,

certified meeting minutes, current as of the submission of the applicable supplemental information, stating that the organization voted to conduct bingo at the licensed location.

(g) Prior to the issuance of a license, the Commission may require an applicant to attend a pre-licensing interview. The Commission will identify the person or persons for the applicant who must attend the pre-licensing interview. The pre-licensing interview will consist of, at a minimum, the following:

- (1) review of the Bingo Enabling Act;
- (2) review of the Charitable Bingo Administrative Rules;
- (3) licensee responsibilities;
- (4) process pertaining to the different types of license application;
- (5) bookkeeping and record keeping requirements as it involves bingo; and
- (6) a statement from the person or persons attending the pre-licensing interview that they are aware of and will comply with the provisions of the Bingo Enabling Act and the Charitable Bingo Administrative Rules.

(h) The Commission may deny an application based on information obtained that indicates non-compliance with the provisions of the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules in connection with a pre-licensing interview and/or location inspection.

(i) Each licensed authorized organization issued a temporary authorization is required to file timely and complete required reports, as applicable to the type of licensing activity requested.

(j) A license applicant may withdraw an application at any time prior to the approval or denial of the application. Once the written request for withdrawal is received by the Commission, all processing of the application will cease and the withdrawal is considered final. License application fees for withdrawn license applications will be refunded, as provided for in the Bingo Enabling

1 Act. If the organization wants to reapply for a license, a complete new application and new license
2 fee, if applicable, are required.

3 (k) Voluntary surrender of a license.

4 (1) A licensee may surrender its license for cancellation provided it has completed and
5 submitted to the Commission the prescribed form.

6 (2) If surrendering a license to conduct bingo, the prescribed form must be signed by the
7 bingo chairperson.

8 (3) If surrendering any other type of license, the prescribed form must be signed by the sole
9 owner, or by two officers, directors, limited liability corporation members, or partners of the
10 organization.

11 (4) The cancellation of the license shall be final and effective upon receipt by the Charitable
12 Bingo Operations Division of a copy of the resolution, or other authoritative statement of the
13 licensee, requesting cancellation of the license and providing a requested effective date.

14 (A) The cancellation is effective as of the date identified in the letter provided that
15 the date has not passed.

16 (B) If no date is identified in the letter, or the date has passed, the effective date
17 shall be the date the Commission receives the letter.

18 (5) Notwithstanding cancellation of the license, the licensee must file all reports, returns
19 and remittances required by law.

20 (6) The licensee shall surrender the license to the Commission on the effective date of the
21 surrender.

22 (7) The Commission will send the licensee a letter confirming the surrender and resulting
23 cancellation of the license.

1 (l) Administrative Hold. A licensed authorized organization or commercial lessor, other than an
2 association of licensed authorized organizations, may request to place its regular license in
3 administrative hold at any time.

4 (1) The placement of a license in administrative hold shall be effective on the first day of
5 the license period for which the administrative hold is requested.

6 (2) The licensee shall submit the license in administrative hold, or a certified statement that
7 the license is not available, to the Commission no later than seven (7) calendar days after the
8 effective date of the placement of the license in administrative hold.

9 (3) Once the license has been placed in administrative hold, all bingo activity (i.e. leasing,
10 conducting bingo) must cease until the licensee files an amendment and the amended license is
11 issued by the Commission and received by the licensee. A licensed authorized organization with
12 its regular license in administrative hold may not conduct bingo under a temporary license.

13 (4) Notwithstanding placement of the license in administrative hold, the licensee must file
14 with the Commission:

15 (A) all applicable reports, returns and remittances required by law; and

16 (B) a timely and complete application for renewal of the license each time the
17 license is ripe for renewal.

18 (5) If at the time of license renewal a licensed authorized organization does not have a
19 designated playing location, that license will be placed in administrative hold.

20 (6) Except for licensed commercial lessors subject to §2001.152(b) of the Occupation
21 Code, a license may not be in administrative hold for more than twelve (12) consecutive quarters.

22 (7) The fee for a license in administrative hold is set in §402.404(d)(3) of this Chapter.

1 (8) A license may be removed from administrative hold at any time during a license period.
2 To remove a license from administrative hold, the licensee must file a license amendment
3 application as provided in §2001.306 of the Occupations Code and §402.410 of this Chapter.

4 (m) Each person required to be named in an application for license under the Bingo Enabling Act
5 other than a temporary license will have a criminal record history inquiry at state and/or national
6 level conducted. Such inquiry may require submission of fingerprint card(s). FBI fingerprint cards
7 are required for an individual listed in an application for a distributor or manufacturer's license and
8 for an individual listed on an application who is not a Texas resident. A criminal record history
9 inquiry at the state and/or national level may be conducted on the operator and officer or director
10 required to be named in an application for a non-regular temporary license under the Bingo
11 Enabling Act.

12 (n) Representation; personal receipt of documents. For purposes of this subsection, an individual
13 shall be recognized by the Commission as an applicant or licensee's authorized representative only
14 if the applicant or licensee has filed with the Commission a form prescribed by the Commission
15 identifying the individuals currently listed as directors, officers, or operators, or if they are
16 identified on the completed Authorization of Representation for Bingo Licenses form. A person is
17 not an authorized representative of the applicant or licensee unless specifically named on a form
18 prescribed by the Commission as part of the application, or on the Authorization of Representation
19 for Bingo Licenses form that is on file with the Commission. Only those persons specifically
20 named on a form prescribed by the Commission or on the Authorization of Representation for
21 Bingo Licenses form as an authorized representative shall be recognized by the Commission
22 concerning any matter relating to the licensing process or license. Only the applicant or licensee

1 or its authorized representative may receive from the Commission documents relating to the
2 application or license without being required to submit a request under the Public Information Act.

3 §402.401. Temporary License.

4 (a) Definitions. The following words and terms, when used in this section, shall have the following
5 meanings, unless the context clearly indicates otherwise:

6 (1) Bingo liability--Includes, but is not limited to, any applicable license fee, late license
7 renewal fee, prize fee, penalty, interest, or administrative penalty.

8 (2) Regular license--A license to conduct bingo that is effective for a period of two years
9 unless revoked or suspended by the Commission.

10 (3) Temporary license--A license to conduct bingo that is in effect for a single bingo
11 occasion.

12 (b) General.

13 (1) Requirements. The Commission may not issue a temporary license if the applicant has
14 failed to file a required report, failed to pay a bingo liability, has not distributed the proceeds
15 calculated on the quarterly report for a charitable purpose, or has a regular license in administrative
16 hold.

17 (2) Duration. A temporary license is valid for no more than six consecutive hours during
18 any day.

19 (3) Display. A licensed authorized organization must conspicuously display an issued
20 license during a temporary occasion at the premises.

21 (4) Voluntary surrender of regular license.

22 (A) An authorized organization that no longer holds a regular license to conduct
23 bingo may conduct any remaining designated temporary occasions so long as the total number of

occasions does not exceed twelve (12) per calendar year. If more than twelve (12) previously specified occasions remain, the licensed authorized organization must provide to the Commission written notification of no more than twelve (12) of the dates of the temporary licenses that will be utilized. This notification must be provided within ten days of surrender of the regular license. The Commission will automatically revoke all temporary licenses in excess of the twelve (12) per year.

(B) If the Commission denies or revokes a regular license by final and unappealable order, any temporary license held by the regular license holder will likewise be denied or revoked.

(5) All records that are required to be maintained under a regular license must be maintained for a temporary bingo license.

(c) The playing time of a temporary bingo occasion may not conflict with the playing time of any other license at the bingo premises on that date unless otherwise provided by law.

(d) Regular license holder.

(1) Subject to the other provisions of this chapter, a regular license holder shall be issued forty-eight (48) temporary licenses for each 12-month period that ends on the anniversary of the date the license was issued or renewed. Any unused temporary licenses will expire on the anniversary of the date the temporary licenses were issued.

(2) Quarterly reports filed by a regular license holder must include proceeds from all licensed temporary occasions held during the quarter.

(3) Before using a temporary license, the regular license holder must notify the Commission of the date and time and location of the bingo occasion for which the temporary license will be used by submitting a form prescribed by the Commission. The Commission will verify receipt of the notice in accordance with Bingo Enabling Act §2001.103(g). The license holder is not required to display the Commission's verification during the occasion but must

1 maintain it in their records pursuant to §402.500(a) of this title (relating to General Records
2 Requirements).

3 (4) In accordance with Occupations Code, §2001.108(e), the Commission may issue to a
4 regular license holder additional temporary licenses in excess of the number of temporary licenses
5 specified under Occupations Code, §2001.103(e) if the following conditions are met:

6 (A) The regular license holder submits a completed application on the form
7 prescribed by the Commission;

8 (B) The date and times stated on the application are consistent with the day and
9 times licensed to the organization that has ceased or will cease to conduct bingo as provided in
10 Occupations Code, §2001.108; and

11 (C) The Commission has not acted on an amendment application filed under
12 Occupations Code, §2001.108(a).

13 (e) Non-regular license holder. A non-regular license holder that wishes to conduct a bingo
14 occasion must file a complete application for a temporary license on a form prescribed by the
15 Commission at least 30 calendar days prior to the bingo occasion.

16 (1) If an organization has never received a temporary license or 3 years have elapsed since
17 the organization last held a temporary bingo occasion, the organization must submit a Texas
18 Application for Temporary Bingo Occasions for Non-Licensed Organization - Section 2.

19 (2) Organizations who have held a temporary license occasion in the past three years may
20 submit Texas Application for a Temporary Bingo Occasions for Non-Licensed Organization -
21 Section 1 to apply for a temporary license.

22 (3) Non-regular license holders may not receive more than twelve (12) temporary licenses
23 in a calendar year.

1 §402.404. License Classes and Fees.

2 (a) Definitions.

3 (1) License period--For purposes of Texas Occupations Code §2001.158, the term "license
4 period" means the eight (8) full calendar quarters immediately preceding the license end date.

5 (2) Regular License Classes and Applicable Fee Amount:

6 (A) The annual fee for a commercial lessor license shall be as follows:

7 (i) Class A (annual gross rentals from licensed organizations of not more
8 than \$12,000) - \$132;

9 (ii) Class B (annual gross rentals from licensed organizations of more than
10 \$12,000 but not more than \$20,000) - \$264;

11 (iii) Class C (annual gross rentals from licensed organizations of more than
12 \$20,000 but not more than \$30,000) - \$396;

13 (iv) Class D (annual gross rentals from licensed organizations of more than
14 \$30,000 but not more than \$40,000) - \$528;

15 (v) Class E (annual gross rentals from licensed organizations of more than
16 \$40,000 but not more than \$50,000) - \$792;

17 (vi) Class F (annual gross rentals from licensed organizations of more than
18 \$50,000 but not more than \$60,000) - \$1,188;

19 (vii) Class G (annual gross rentals from licensed organizations of more than
20 \$60,000 but not more than \$70,000) - \$1,584;

21 (viii) Class H (annual gross rentals from licensed organizations of more than
22 \$70,000 but not more than \$80,000) - \$1,980;

1 (ix) Class I (annual gross rentals from licensed organizations of more than
2 \$80,000 but not more than \$90,000) - \$2,640;

3 (x) Class J (annual gross rentals from licensed organizations of more than
4 \$90,000) - \$3,300.

5 (B) Manufacturer's License. The annual fee for a manufacturer's license shall be
6 \$3,000.

7 (C) Distributor's License. The annual fee for a distributor's license shall be \$1,000.

8 (b) Original License Application.

9 (1) Commercial License to Lease Bingo Premises.

10 (A) License fees for an original license to lease bingo premises submitted by an
11 authorized organization licensed to conduct bingo must be paid from the organization's bingo bank
12 account.

13 (B) An applicant may be required to submit additional license fees if the estimated
14 gross rental income used to calculate the license fee is not reasonable when compared to the gross
15 rental income at similarly situated bingo premises. These comparative amounts are used to
16 establish the gross rental income amount upon which the applicant's license fee is based and must
17 be submitted.

18 (2) Understating the anticipated gross receipts or rental income from a licensed activity for
19 any purpose by an applicant or licensed entity may be grounds for administrative disciplinary
20 action against the licensee.

21 (c) An organization shall re-estimate its annual gross rental income and submit any balance due in
22 license fee amount if there is an increase within six months of the issuance of the original lessor
23 license in:

1 (1) the number of organizations conducting bingo at a licensed location; and

2 (2) the number of bingo occasions conducted at the licensed location.

3 (d) License Renewal Fee.

4 (1) The amount of license fee to be paid upon renewal of a license to lease bingo premises
5 is the recalculated license fee amount calculated for the preceding license period.

6 (2) If the recalculation of the license fee amount for the previous license period reflects an
7 underpayment of the license fee amount for that license period, the incremental difference must be
8 submitted by the organization within 30 days of the license expiration date and before the license
9 may be renewed.

10 (3) Upon written request by an organization to renew its license to lease bingo premises
11 that is in or going in administrative hold, the organization shall pay a Class A license renewal fee,
12 plus any amount due under paragraph (2) of this subsection, in lieu of the recalculated fee amount
13 from the preceding license period. There is no renewal license fee for an organization renewing its
14 license to conduct bingo that is in or going in administrative hold, but the license-class-related
15 amount used solely by the Commission to estimate the pro rata local share of prize fees related to
16 a license to conduct bingo for such an organization is a Class A fee amount.

17 (4) The Commission may require an amount of license fee in addition to the recalculated
18 fee at renewal if there is a change in:

19 (A) playing location; or

20 (B) rental amount per occasion.

21 (5) If a commercial lessor or a licensed authorized organization which leases bingo
22 premises requests its license be placed in administrative hold upon the renewal of its lessor license
23 and submits the requisite fee as set in paragraph (3) of this subsection, the Commission may require

1 the commercial lessor to submit an additional license fee when it files the application to amend a
2 commercial license to lease bingo premises, if the commercial lessor amends its license to begin
3 leasing bingo premises within the first six months of the license term.

4 (e) Two-Year License Fee Payments. An applicant for a commercial lessor license that is effective
5 for two years must pay an amount equal to two times the amount of the annual license fee, as set
6 in §402.404(a)(2).

7 (f) Regular License Class Recalculation.

8 (1) For the purpose of determining the license class recalculation for a license to conduct
9 bingo or license to lease bingo premises, the annual gross receipts or gross rental income, as
10 applicable, shall be based on the four consecutive quarterly returns due immediately prior to the
11 license expiration date.

12 (2) For the purposes of determining the license class recalculation for a two year license to
13 lease bingo premises, each year of the license period shall be recalculated separately. The final
14 recalculated fee will be the total of the yearly license classes and their associated fees. The annual
15 gross rental income shall be based on the four consecutive quarterly returns due immediately prior
16 to the first year period and the four consecutive quarterly returns due immediately prior to the
17 license expiration date of the second year period.

18 (3) For accounting units, gross receipts used to recalculate the license class apportioned to
19 a unit member will be calculated by dividing the unit's gross receipts by the total number of
20 members during the quarter.

21 (4) If an organization fails to file a report for one or more quarter(s) of the license period,
22 or if there are not four quarters available for any other reason, the Commission shall average the

1 quarterly gross receipts or gross rental income for the quarter(s) reported to determine the
2 organization's license class.

3 (5) License no longer exists.

4 (A) Notwithstanding the fact that an organization which leased bingo premises
5 under a license that ceased to exist for whatever reason, the organization must submit the
6 recalculated license fee for the period that the organization leased the premises and collected gross
7 rental income.

8 (B) If an organization ceases to be licensed for whatever reason, all gross receipts
9 or gross rental income collected (from the period after the last quarterly return used to recalculate
10 the license class for the prior year) is used to recalculate the final license class, and if appropriate,
11 any fee due. If the organization fails to file a return for any required period(s), an estimated return
12 will be used. The organization shall submit any balance due after license class recalculation.

13 (6) The Commission may recalculate license classes for up to four consecutive immediately
14 preceding license periods if a change in an organization's reported gross receipts or gross rental
15 income occurs as a result of an audit, or if the original recalculation was determined by using
16 estimated gross receipts or gross rental income.

17 (7) If there is a change in an organization's reported gross receipts or gross rental income,
18 the organization may submit a written request to the Charitable Bingo Operations Division to
19 recalculate its license class for up to four immediately preceding license periods.

20 (g) Overpayment of License Fee.

21 (1) An overpayment of a commercial lessor's annual license fee may occur either through
22 a recalculation of the license fee pursuant to subsection (f) of this section, or if a licensee
23 mistakenly submits more money than is actually required for the license fee(s). An overpayment

1 of a manufacturer's or distributor's annual license fee occurs if a licensee mistakenly submits more
2 money than is actually required for the license fee(s). The Commission will determine whether an
3 overpayment has occurred on a case by case basis.

4 (2) Upon a determination that an overpayment of an annual license fee has occurred, the
5 Charitable Bingo Operations Division shall credit the overpayment to the licensee. Overpayments
6 credited to a licensee may be used for the licensee's outstanding bingo liabilities, including
7 subsequent license fees, but the credits must be used within four years of the latest date on which
8 the annual license fee was due. Overpayments credited to a licensee remain eligible for refund
9 under subsection (h) of this section until the credits are used or the four year refund period expires,
10 whichever comes first.

11 (3) Overpayments of annual license fees must either be used as credit or claimed for refund
12 within four years of the latest date on which the annual license fees were due. If a licensee fails to
13 use the credits or request a refund within this time period, the overpayments will be retained by
14 the Commission.

15 (h) Refunds.

16 (1) An applicant or licensee may request a refund of the fee for an initial or renewal
17 commercial lessor's license, initial or renewal distributor's license, or initial or renewal
18 manufacturer's license if they request withdrawal of the application before the license is issued.
19 Upon such a request, the Commission will retain the lesser of 50 percent of the fee or \$150 and
20 refund the rest of the fee within 30 days of receiving the request.

21 (2) If the Commission denies an initial or renewal commercial lessor license application,
22 initial or renewal distributor's license application, or initial or renewal manufacturer's license

1 application, it will retain the lesser of 50 percent of the fee or \$150 and refund the rest of the fee
2 within 30 days of denying the application.

3 (3) A current or former licensee that submits an overpayment of a regular license fee may
4 be eligible to receive a refund of that overpayment, provided that the licensee or former licensee:

5 (A) submits a complete written request for a refund to the Commission within four
6 years of the latest date the regular license fees were due;

7 (B) does not have any other outstanding bingo liabilities to the State; and

8 (C) if applicable, files all necessary quarterly reports.

9 (4) Upon the receipt and review of a timely and sufficient refund request, the Commission
10 may either deny the refund request or certify to the Comptroller of Public Accounts that a refund
11 is warranted. Pursuant to Government Code §403.077, if the Commission certifies to the
12 Comptroller of Public Accounts that a refund is warranted, the ultimate decision on whether to
13 grant the refund will still be made by the Comptroller of Public Accounts.

14 (i) Transfer of Commercial License to Lease Bingo Premises.

15 (1) All gross rental income collected in connection with a license to lease bingo premises
16 that has been transferred during the term of the license shall be used to recalculate the license fee.

17 (2) A license fee credit in connection with a license to lease bingo premises that was
18 transferred during the term of the license shall be credited to the current license holder at the time
19 of license renewal.

20 (3) A license fee balance due for a license to lease bingo premises that was transferred
21 during the term of the license shall be the liability of the current license holder at the time of license
22 renewal.

23 (j) Temporary Authorization to Conduct Bingo.

1 (1) The amount of gross receipts collected in connection with a temporary authorization is
2 used to calculate the regular license class.

3 (2) An organization conducting bingo pursuant to a temporary authorization must comply
4 with the same statutory and administrative rule requirements and quarterly return filing
5 requirements as an organization which has a regular license to conduct bingo.

6 §402.405. Temporary Authorization.

7 (a) A temporary authorization shall be issued only to a person who is not licensed by the
8 Commission but who has filed a complete application for an original license to conduct a charitable
9 bingo activity.

10 (b) Upon the applicant's request, the Commission will issue a temporary authorization for the
11 activity requested on the license application by the 31st calendar day after the Commission's
12 receipt of an application that is complete in accordance with §402.400(a) of this chapter if the
13 following are in compliance with the Act and the Rules.

14 (1) For all licenses: eligibility of all persons listed on the application requiring criminal
15 background investigations.

16 (2) For a commercial lessor license: eligibility of applicant as provided by Texas
17 Occupations Code, §2001.152.

18 (3) If an applicant asserts in writing that its application is complete, the Commission will
19 grant or deny the application, or make a determination on temporary authorization.

20 (c) A temporary authorization to conduct a bingo-related activity may only be issued to a person
21 who will conduct a bingo-related activity at the same location for which the person has a pending
22 original application to conduct a bingo-related activity.

(d) A temporary authorization shall be issued for a stated period of time not to exceed 60 days. A temporary authorization may be extended upon written request by the person to whom the temporary authorization was issued. Such request must be filed with the Commission at least seven working days prior to the time the temporary authorization expires. Extensions shall be for a period of time not to exceed 60 days. No more than two extensions may be issued.

(e) A request for an extension shall include:

(1) the complete name of the organization requesting the extension;

(2) the Texas taxpayer identification number of the organization requesting the extension;

(3) a complete explanation of the basis for the request; and

(4) the specific reason(s) supporting the need for an extension.

(f) An organization that is not in compliance with the Bingo Enabling Act and the Charitable Bingo Administrative Rules will not be granted an extension unless the organization becomes compliant during the period of the original temporary authorization.

(g) An organization conducting bingo under a temporary authorization that desires to obtain a temporary license shall be subject to the same requirements in §402.401(e) of this chapter regarding an organization not holding a regular license to conduct bingo.

(h) A temporary authorization is not a license.

(i) A temporary authorization may not be amended.

(j) A regular license that has been issued to an applicant shall expire two years from the date of the first issuance of any temporary authorization under this section.

(k) For the purposes of Texas Occupations Code, §2001.304(a), an application for an activity is considered issued or denied on the date the Commission issues a license or notice of denial to the applicant.

§402.413. Military Service Members, Military Veterans, and Military Spouses.

(a) The following terms used in this section are defined in §55.001 of the Occupations Code as follows:

(1) "Active duty" means current full-time military service in the armed forces of the United States or active duty military service as a member of the Texas military forces, as defined by §437.001, Government Code, or similar military service of another state.

(2) "Armed forces of the United States" means the army, navy, air force, space force, coast guard, or marine corps of the United States or a reserve unit of one of those branches of the armed forces.

(3) "Military service member" means a person who is on active duty.

(4) "Military spouse" means a person who is married to a military service member.

(5) "Military veteran" means a person who has served on active duty and who was discharged or released from active duty.

(b) As soon as practicable after a military service member, military veteran, or military spouse applies in his or her individual capacity for a commercial lessor license, distributor license, manufacturer license, or listing on the bingo worker registry, the Commission will process the application and, if warranted, issue the license or list the applicant on the bingo worker registry. A military service member or military veteran must provide the Commission with definitive proof of his or her current or prior military service. A military spouse must provide the Commission with:

(1) definitive proof of his or her spouse's current military service; and

(2) his or her official marriage certificate or other definitive proof of his or her marriage to a military service member.

(c) The Commission will waive the license fee for a military service member or military veteran that applies in his or her individual capacity for a commercial lessor license, distributor license, or manufacturer license. The applicant must provide the Commission with definitive proof of the applicant's current or prior military service.

(d) The Commission will waive the license fee for a military spouse that applies in his or her individual capacity for a commercial lessor license, distributor license, or manufacturer license, provided that the applicant holds a current license issued by another state or jurisdiction that is substantially equivalent to the license for which the applicant is applying. The applicant must provide the Commission with:

(1) definitive proof of his or her spouse's current military service;

(2) his or her official marriage certificate or other definitive proof of his or her marriage to a military service member; and

(3) a photocopy of his or her current out-of-state license that is substantially equivalent to the license for which the applicant is applying.

(e) An individual licensed in his or her individual capacity as a commercial lessor, distributor, or manufacturer is exempt from the late license renewal fee provided for in §402.411(e) of this chapter if the individual can demonstrate, to the satisfaction of the Commission, that the individual failed to renew his or her license in a timely manner because the individual was serving as a military service member.

(f) A military service member or a military spouse may engage in any activity for which a license or bingo worker registration is required without obtaining the applicable license or registration if the member or spouse is currently licensed in good standing by another jurisdiction that has licensing requirements that are substantially equivalent to the requirements for licensure in Texas.

Before engaging in the activity, the military member or spouse must notify the Commission of their intent to conduct the activity in this state and must submit proof of their residency in this state along with a copy of their military identification card. Within thirty (30) days, the Commission will verify that the military service member or military spouse is currently licensed in good standing in another state that has licensing requirements that are substantially equivalent to the requirements in Texas. If so, the Commission shall authorize the military service member or military spouse to engage in the activity. The authorization is effective only for the period during which the military service member or the military service member to whom the military spouse is married is stationed at a military installation in this state, not to exceed three years. The authorization may not be renewed. The military member or spouse shall comply with all other laws and regulations applicable to the business or occupation in this state. In the event of a divorce or similar event that affects a person's status as a military spouse, the spouse may continue to engage in the business or occupation until the third anniversary of the date the spouse received the authorization.

§402.420. Qualifications and Requirements for Conductor's License.

An applicant must provide with its application documentation demonstrating that it meets all qualifications and requirements for a license to conduct bingo based on the type of organization it is. The qualifications, requirements, and necessary documentation for different types of organizations are shown in the chart below.

Figure: 16 TAC §402.420

Religious Society:	
Qualifications and Requirements	Necessary Documentation
Must be organized	A signed and dated copy of the most recent version of all of the organization's organizing instrument(s);

primarily for religious purposes.	<p>Or</p> <p>A copy of the page from the applicant's parent organization religious directory that lists the applicant organization's information.</p> <p>The name of the applicant organization must match the name of the organization on the documents submitted.</p>
Must have been organized in Texas for at least three years.	<p>A copy of a listing in a publication such as a national roster or newspaper article naming the organization;</p> <p>Or</p> <p>A letter or other document provided or issued to the applicant from a government agency.</p> <p>The documents submitted must reflect the applicant's name, Texas address, and establish at least three years of existence.</p>
Must demonstrate that the organization has made significant progress toward the accomplishment of its purposes during the 24 months preceding the date of application.	<p>At least three (3) different types of acceptable documents as proof that organization was continuously engaged in furthering its charitable purpose for the time period beginning two years prior to the date the application was signed. Examples of acceptable documentation include copies of:</p> <ol style="list-style-type: none"> 1. a letter from the diocese, 2. notices of church services, and/or church bulletins, 3. canceled checks for clergy salaries, religious books, materials and/or supplies, maintenance of religious building(s), and 4. records of marriages performed, or records of funerals performed. <p>To establish the beginning date, an organization may submit documentation dated up to three months prior to the two years before the application was signed in order to prove that the organization has been continuously engaged in furthering its charitable purpose throughout the past twenty-four (24) months.</p> <p>All documents must be dated and indicate the name of the organization.</p>
Must appoint only the organization's members to serve as operators for the organization.	<p>A current membership list with all officers and directors noted. Officers would include a priest, pastor, rabbi, or other head of the church.</p> <p>Membership list will be compared to persons listed on the application to confirm that only members have been named as operators.</p>

Must ensure that none of the organization's officers, directors and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and have not been convicted of a criminal fraud offense, with the exception of a criminal fraud offense that is a Class C misdemeanor.	<p>A signed and dated copy of the most recent version of all of the organization's organizing instruments(s) that list the officer and director positions;</p> <p>Or</p> <p>If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.</p> <p>If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.</p> <p>The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers and directors have been disclosed.</p> <p>The Department of Public Safety will conduct a criminal history check on all officers, directors, and operators.</p> <p>Any officer, director, or operator not meeting the criminal history background requirement must resign before a license may be issued.</p>
Section 2001.102 License Application Requirements.	<p>Most recent copy of Internal Revenue Service (IRS) Form 990 if organization is required to file it with the IRS.</p> <p>Indicate on application if organization is not required to file Form 990;</p> <p>And</p> <p>If the organization is organized under the law of this state, the organization must be in good standing with the Secretary of State (SOS). The Commission will request additional documentation from the applicant if unable to validate good standing directly with the SOS.</p>
Non-Profit Medical Organization:	
Qualifications and Requirements	Necessary Documentation
Main activities must be in support of medical research or treatment programs.	<p>A signed and dated copy of the most recent version of all of the organization's organizing instruments.</p> <p>The name of the applicant organization must match the name of the organization on the organizing instruments.</p>
Must have had a governing body or officers	Copies of meeting minutes recording officer elections for three years showing the date of each meeting and signature of an officer;

<p>elected by the vote of the members or delegates elected by the members for at least three years.</p>	<p>Or</p> <p>A dated list of officers and positions held for three years.</p> <p>A statement signed by an officer indicating which positions were left open if the organization had positions defined in organizing instrument(s) that the organization did not fill.</p> <p>Organizing instrument(s) will be reviewed to ensure that the organization has members who elect officers and to confirm the officer positions.</p>
<p>Must have been affiliated with a state or national organization organized to perform the same purposes for at least three years.</p>	<p>Verification by Parent for Charitable Organization Conductor;</p> <p>And</p> <p>A copy of a listing in a publication such as a national roster or newspaper article naming the organization or a letter or other document provided or issued to the applicant from a government agency.</p> <p>The document submitted must reflect the applicant's name, Texas address, and establish the date the organization was founded and at least three years of existence.</p>
<p>Must hold a valid 501(c) exemption through the Internal Revenue Service.</p>	<p>If the Commission is unable to validate directly with the Internal Revenue Service that the organization has a 501(c) designation, the Commission will request additional documentation from the applicant.</p>
<p>May not distribute any income to members, officers, or governing body except as reasonable compensation for services.</p>	<p>Most recent copy of Internal Revenue Service (IRS) Form 990 if organization is required to file it with the IRS.</p> <p>Indicate on application if organization is not required to file Form 990.</p> <p>A signed and dated copy of the most recent version of all of the organization's organizing instruments.</p>
<p>Must demonstrate significant progress toward the accomplishment of the organization's purposes during</p>	<p>At least three (3) different types of acceptable documents as proof that organization was engaged in furthering its charitable purpose for the time period beginning two years prior to the date the application was signed.</p> <p>Acceptable documentation may include:</p> <ol style="list-style-type: none"> 1. canceled checks in support of medical treatment or research programs, i.e., American Cancer Society, Muscular Dystrophy Association, or other recognized organizations dedicated to the elimination of disease;

the 24 months preceding the date of application.	<p>2. canceled checks for the purchase of medical equipment or to provide medical care for the needy;</p> <p>3. letters of appreciation from individuals or organizations receiving benefits for treatment;</p> <p>4. IRS Form 990; and</p> <p>5. newspaper articles.</p> <p>To establish the beginning date, an organization may submit documentation dated up to three months prior to the two years before the application was signed in order to prove that the organization has been engaged in furthering its charitable purposes throughout the past twenty-four (24) months.</p> <p>All documents must be dated and indicate the name of the organization.</p>
May appoint only the organization's members to serve as operators.	A current membership list with officers and directors noted. Membership list will be compared to the persons listed on the application to confirm that only members have been named as operators.
Must ensure that none of the organization's officers, directors and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and have not been convicted of a criminal fraud offense, with the exception of a criminal fraud offense that is a Class C misdemeanor.	<p>A signed and dated copy of the most recent version of all of the organization's organizing instruments that list the officer and director positions;</p> <p>Or</p> <p>If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.</p> <p>If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.</p> <p>The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers and directors have been disclosed.</p> <p>The Department of Public Safety will conduct a criminal history check on all officers, directors, and operators.</p> <p>Any officer, director, or operator not meeting the criminal history background requirement must resign before a license may be issued.</p>
Section 2001.102 License	If the organization is organized under the law of this state, the organization must be in good standing with the Secretary of State (SOS) The Commission

Application Requirements.	will request additional documentation from the applicant if unable to validate good standing directly with the SOS.
Volunteer Fire Department:	
Qualifications and Requirements	Necessary Documentation
Organized primarily to provide fire-fighting services.	<p>Proof of membership in a professional fire-fighting organization;</p> <p>Or</p> <p>Copy of a publication that lists the organization and its phone number to call in case of fire;</p> <p>Or</p> <p>A letter from a local government agency recognizing the organization as a volunteer fire department;</p> <p>Or</p> <p>A copy of all organizing instrument(s) which list this purpose for the organization;</p> <p>Or</p> <p>A dated newspaper article which details the organization's activities.</p> <p>The name of the applicant organization must match the name of the applicant on the documents submitted.</p>
Must have been organized in Texas for at least three years.	<p>A copy of a listing in a publication such as a national roster or newspaper article naming the organization;</p> <p>Or</p> <p>A letter or other document provided or issued to the applicant from a government agency.</p> <p>The document submitted must reflect the applicant's name, Texas address, and establish the date the organization was founded and at least three years of existence.</p>
Must operate fire-fighting equipment.	<p>Pictures of fire equipment reflecting the name of the volunteer fire department;</p> <p>Or</p>

	Copies of canceled checks or invoices for fire-fighting equipment.
May not pay members other than nominal compensation.	<p>Most recent copy of Internal Revenue Service (IRS) Form 990 if organization is required to file it with the IRS.</p> <p>Indicate on application if organization is not required to file Form 990.</p> <p>If not required to file Form 990, a copy of a volunteer fire fighter application;</p> <p>Or</p> <p>Copy of an organizing instrument that describes compensation of members.</p>
Must demonstrate significant progress toward the accomplishment of the organization's purposes during the 24 months preceding the date of application.	Call List which shows the type of incident and location for the 24-month period prior to the date the application was signed.
May appoint only the organization's members to serve as operators.	<p>Current membership list with all officers and directors noted.</p> <p>Membership list will be compared to the persons listed on application to confirm that only members have been named as operators.</p>
Must ensure that none of the organization's officers, directors and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and have not been convicted of a criminal fraud offense, with the	<p>A signed and dated copy of the most recent version of all of the organization's organizing instruments that list the officer and director positions;</p> <p>Or</p> <p>If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.</p> <p>If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.</p> <p>The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers and directors have been disclosed.</p>

exception of a criminal fraud offense that is a Class C misdemeanor.	<p>The Department of Public Safety will conduct a criminal history check on all officers, directors and operators.</p> <p>Any officer, director, or operator not meeting the criminal history background requirement must resign before a license may be issued.</p>
Section 2001.102 License Application Requirements.	<p>A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation.</p> <p>If the organization is organized under the law of this state the organization must be in good standing with the Secretary of State (SOS). The Commission will request additional documentation from the applicant if unable to validate good standing directly with the SOS.</p>
Veteran Organization:	
Qualifications and Requirements	Necessary Documentation
Must be an unincorporated association or corporation.	<p>A signed copy of the organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation.</p> <p>The name of the applicant organization must match the name of the organization on the organizing instruments.</p>
Must hold a valid 501(c) exemption through the Internal Revenue Service.	<p>If the Commission is unable to validate directly with the Internal Revenue Service that the organization has a 501(c) designation, the Commission will request additional documentation from the applicant.</p> <p>Verification by Parent for Charitable Organization Conductor.</p>
Must have been organized in Texas for at least three years.	<p>A copy of a listing in a publication such as a national roster or newspaper article naming the organization;</p> <p>Or</p> <p>A letter or other document provided or issued to the applicant from a government agency.</p> <p>The document submitted must reflect the applicant's name, Texas Address, and either be dated three years before the application date or establish the date the organization as founded.</p>
May not distribute any income to members, officers, or governing body	<p>Most recent copy of Internal Revenue Service (IRS) Form 990 if organization is required to file it with the IRS.</p> <p>Indicate on application if organization is not required to file Form 990.</p>

except as reasonable compensation for services.	
Members must be veterans or dependents of veterans of the United States armed forces.	Verification by Parent for Charitable Organization Conductor.
Must be chartered by the United States Congress.	The Commission will review the list of chartered veteran organizations maintained by the United States Department of Veteran Affairs. Its website link is: http://www1.va.gov/vso/index.cfm?template=view .
Must be organized to advance the interest of veterans or active duty personnel of the US armed forces and their dependents.	<p>A signed and dated copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation.</p> <p>The name of the applicant organization must match the name of the organization on the organizing instruments.</p>
Must demonstrate significant progress toward the accomplishment of the organization's purposes during the 24 months preceding the date of application.	<p>At least three (3) different types of acceptable documents as proof that organization was engaged in furthering its charitable purpose for the time period beginning two years prior to the date the application was signed. Examples of acceptable documentation include copies of:</p> <ol style="list-style-type: none"> 1. activity reports filed with the state and/or national organization, 2. monetary donations to Veterans Administration (VA) hospitals, 3. letters of appreciation from veterans and/or organizations receiving benefits, 4. support of and/or contributions to veterans' funerals and/or their families, 5. visits to veteran's hospitals, 6. newspaper articles, and 7. Form 990. <p>To establish the beginning date, an organization may submit documentation dated up to three months prior to the two years before the application was</p>

	<p>signed in order to prove that the organization has been engaged in furthering its charitable purpose throughout the past twenty-four (24) months.</p> <p>All documents must be dated and indicate the name of the organization.</p>
May appoint only the organization's members to serve as operators.	A current membership list with all officers and directors noted. Membership list will be compared to the persons listed on the application to confirm that only members have been named as operators.
Must ensure that none of the organization's officers, directors and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and have not been convicted of a criminal fraud offense, with the exception of a criminal fraud offense that is a Class C misdemeanor.	<p>A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation that list the officer and director positions;</p> <p>Or</p> <p>If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.</p> <p>If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.</p> <p>The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers have been disclosed.</p> <p>The Department of Public Safety will conduct a criminal history check on all officers, directors and operators.</p> <p>Any officer, director, or operator not meeting the criminal history background requirement must resign before a license may be issued.</p>
Section 2001.102 License Application Requirements.	If the organization is organized under the law of this state, the organization must be in good standing with the Secretary of State (SOS). The Commission will request additional documentation from the applicant if unable to validate good standing directly with the SOS.
Fraternal Organization:	
Qualifications and Requirements	Necessary Documentation
Must be an Unincorporated Association or Corporation.	<p>A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation.</p> <p>The name of the applicant organization must match the name of the organization on the organizing instruments.</p>
Must be organized to perform and	A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation.

engage in charitable work.	The name of the applicant organization must match the name of the organization on the organizing instruments.
Must hold a valid 501(c) exemption through the Internal Revenue Service.	<p>If the Commission is unable to validate directly with the Internal Revenue Service that the organization has a 501(c) designation, the Commission will request additional documentation from the applicant;</p> <p>Or</p> <p>Verification by Parent for Charitable Organization Conductor if affiliated with a state or national organization.</p>
May not distribute any income to members, officers, or governing body except as reasonable compensation.	<p>Most recent copy of Internal Revenue Service (IRS) Form 990 if organization is required to file it with the IRS.</p> <p>Indicate on application if organization is not required to file Form 990.</p> <p>A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation.</p>
Must have been organized in Texas for at least three years.	<p>A copy of a listing in a publication such as a national roster or newspaper article if not affiliated with a state or national organization;</p> <p>Or</p> <p>A letter or other document provided or issued to the applicant from a government agency. The document submitted to confirm the requirement must reflect organization's name, Texas address, and be either dated prior to the three year period or establish the date the organization was founded.</p>
Must have a bona fide membership.	Current membership list with all officers and directors noted.
Membership actively and continuously engaged in furthering its authorized purposes for the past three years.	<p>Organizing instrument(s) describing the organization's purposes.</p> <p>Copies of minutes from three annual membership meetings reflecting that the organization voted on the election of officers and reported on matters related to furthering the organization's purpose.</p> <p>Collectively, the three meeting minutes must encompass a (36) thirty-six month period (i.e. one per year).</p> <p>The meeting minutes must be dated and signed by an officer of the organization.</p>
May not authorize or	Organizing instrument(s) reflecting that organization has not authorized support or opposition of a public office candidate.

support a public office candidate.	
Must demonstrate significant progress toward the accomplishment of the organization's purposes during the 24 months preceding the date of application.	<p>At least three (3) different types of acceptable documents as proof that organization was engaged in furthering its charitable purpose for the time period beginning two years prior to the date the application was signed.</p> <p>Examples of acceptable documentation include copies of:</p> <ol style="list-style-type: none"> 1. canceled checks, 2. newspaper articles, 3. brochures, 4. receipts, 5. meeting minutes, and 6. IRS Form 990. <p>All documents must be dated and indicate the organization's name.</p> <p>To establish the beginning date, an organization may submit documentation dated up to three months prior to the two years before the application was signed in order to prove that the organization has been engaged in furthering its charitable purposes throughout the past twenty-four months.</p>
May appoint only the organization's members to serve as operators.	A current membership list with all officers and directors noted. Membership list will be compared to the persons listed on the application to confirm that only members have been named as operators.
Must ensure that none of the organization's officers, directors and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and have not been convicted of a criminal fraud offense, with the exception of a criminal fraud offense that is a	<p>A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation that list the officer and director positions;</p> <p>Or</p> <p>If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.</p> <p>If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.</p> <p>The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers and directors have been disclosed. The Department of Public Safety will conduct a criminal history check on all officers, directors and operators.</p> <p>Any officer, director, or operator not meeting the criminal history background requirement must resign before a license may be issued.</p>

Class C misdemeanor.	
Section 2001.102 License Application Requirements.	If the organization is organized under the law of this state, the organization must be in good standing with the Secretary of State (SOS). The Commission will request additional documentation from the applicant if unable to validate good standing directly with the SOS.
Volunteer Emergency Medical Services Provider:	
Qualifications and Requirements	Necessary Documentation
Must have been organized in Texas for at least three years.	<p>A copy of a listing in a publication such as a national roster or newspaper article naming the organization;</p> <p>Or</p> <p>A letter or other document provided or issued to the applicant from a government agency.</p> <p>The document submitted must reflect the applicant's name, Texas address, and either be dated three years before the application date or establish the date the organization was founded.</p>
Must demonstrate that the organization has made significant progress toward the accomplishment of its purposes during the 24 months preceding the date of application.	A Call List which shows the type of incident and location for the 24-month period prior to the date the application was signed.
Must appoint only the organization's members to serve as operators for the organization.	A current membership list with all officers and directors noted. Membership list will be compared to the persons listed on the application to confirm that only members have been named as operators.
Must ensure that none of the organization's officers, directors	A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation, that list the officer and director positions;

and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and have not been convicted of a criminal fraud offense, with the exception of a criminal fraud offense that is a Class C misdemeanor.	<p>Or</p> <p>If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.</p> <p>If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.</p> <p>The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers and directors have been disclosed.</p> <p>The Department of Public Safety will conduct a criminal history check on all officers, directors and operators.</p> <p>Any officer, director or operator not meeting the criminal history background requirement must resign before a license may be issued.</p>
Section 2001.102 License Application Requirements.	<p>Most recent copy of Internal Revenue Service (IRS) Form 990 if organization is required to file it with the IRS.</p> <p>Indicate on application if organization is not required to file Form 990;</p> <p>And</p> <p>A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation;</p> <p>And</p> <p>If the organization is organized under the law of this state the organization must be in good standing with the Secretary of State (SOS). The Commission will request additional documentation from the applicant if unable to validate good standing directly with the SOS.</p>

§402.451. Operating Capital.

(a) Definitions. The following words or terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Average unit member operating capital--An amount equal to the allowable retained operating capital of the unit divided by the number of unit members.

1 (2) Bingo account--The bingo checking account, bingo savings account, and petty cash if
2 bingo funds, of a licensed authorized organization or unit.

3 (3) Quarterly report--The Texas Bingo Quarterly Report.

4 (4) Retained operating capital limit--The maximum amount of funds that may be retained
5 in the bingo account of a licensed authorized organization or unit, which is equal to the
6 organization's or unit's actual quarterly average bingo expenses, excluding prizes paid, for the
7 preceding license period but does not exceed \$50,000 per organization.

8 (b) The bingo account balance of a licensed authorized organization, reconciled to include
9 outstanding checks and deposits in transit, on the last day of each calendar quarter may not exceed
10 the total of:

11 (1) the organization's or unit's retained operating capital limit;

12 (2) prize fees held in the bingo account to be paid to the Commission and local
13 governments, or to be retained under Bingo Enabling Act §2001.502(b)(3); and

14 (3) net proceeds from the conduct of bingo for the current quarter.

15 (c) Bingo account funds may be transferred between the bingo checking account, bingo savings
16 account, and petty cash, where applicable. All funds from the bingo checking account, bingo
17 savings account, and petty cash shall be included in the bingo account balance reported on the
18 quarterly report on the last day of each calendar quarter, including funds in transit between the
19 various accounts.

20 (d) Licensed Authorized Organization's Calculations.

21 (1) The retained operating capital limit for a licensed authorized organization with a regular
22 license will be calculated for each 12-month period of the license.

(2) The retained operating capital limit for a licensed authorized organization submitting the first renewal of its license to conduct bingo will be calculated based on the quarterly reports for the three (3) calendar quarters immediately preceding the license start date.

(3) The retained operating capital limit is effective for the four (4) calendar quarters beginning on the first day of the calendar quarter immediately following the license start date.

(e) Accounting Unit's Calculations.

(1) The retained operating capital limit for an accounting unit will be calculated based on the quarterly reports for the four (4) quarter period beginning October 1 through September 30 of each year.

(2) The retained operating capital limit for an accounting unit is effective from January 1 through December 31 of each year.

(f) A licensed authorized organization's or unit's most recent quarterly report information at the time of the calculation will be used to calculate its retained operating capital limit. Prize fees are not included in calculation of operating capital if they are held in escrow for remittance to the commission or local governments or retained by a licensed organization under Bingo Enabling Act §2001.502(b)(3).

(g) Retained Operating Capital Limits.

(1) The retained operating capital in the bingo account of a licensed authorized organization may not exceed a total of \$50,000 for the first year of licensure.

(2) The retained operating capital in the bingo account of a newly formed unit may not exceed the total of the retained operating capital limits of all the licensed authorized organizations forming the unit.

1 (3) If a licensed authorized organization joins a unit, the retained operating capital in the
2 unit's bingo account may be increased by an amount that is equal to the average unit member
3 operating capital, not to exceed a total of \$50,000.

4 (4) If a licensed authorized organization withdraws from a unit and will no longer utilize
5 unit accounting, its retained operating capital limit will be equal to the average unit member
6 operating capital of the unit prior to withdrawal, not to exceed a total of \$50,000.

7 (5) Upon withdrawal of a unit member, the retained operating capital in the bingo account
8 of a unit must be decreased by an amount that is equal to the average unit member operating capital
9 by the last day of the calendar quarter immediately following the unit member's withdrawal date.

10 (h) Recalculation of Operating Capital.

11 (1) A licensed authorized organization or unit that files an original or amended quarterly
12 report for a period used to calculate its retained operating capital limit may submit a written request
13 to the Commission to re-calculate the limit.

14 (2) A request to re-calculate a retained operating capital limit must include:

15 (A) the reason for the request identifying the specific quarter that the original or
16 amended quarterly report was filed; and

17 (B) the signature of the bingo chairperson if the request is submitted by a licensed
18 authorized organization, the unit manager if the unit is managed by a unit manager, or the
19 designated agent if the unit is not managed by a unit manager.

20 (i) A licensed authorized organization or unit may apply for an increase in its retained operating
21 capital limit.

(j) The failure of a licensed authorized organization or unit to receive notification from the Commission of its retained operating capital limit by the effective date does not relieve the organization or unit from complying with the retained operating capital limit.

(k) All net proceeds in excess of the retained operating capital limit must be disbursed in accordance with the Act and Rules.

§402.452. Net Proceeds.

(a) Net proceeds from the conduct of bingo must result in a positive amount over the organization's license period.

(b) Calculation of Net Proceeds for Organizations.

(1) The current quarterly report information of the organization or unit will be used to determine if the bingo operations of the organization resulted in net proceeds.

(2) The calculation of net proceeds for a regular license will be based on the quarterly reports for the eight (8) calendar quarters immediately preceding the license end date.

(3) The calculation of net proceeds for an organization submitting the first renewal of its license to conduct bingo will be based on the quarterly reports for the seven (7) calendar quarters immediately preceding the license end date. If the bingo operations of an organization fail to result in positive net proceeds for the first renewal of a license, the Commission shall recalculate the net proceeds using the quarterly reports for the seven (7) calendar quarters immediately preceding the license end date and the quarterly report for the one (1) calendar quarter in which the license end date falls to determine compliance.

(c) Calculation of Net Proceeds for Units.

(1) Net proceeds for units will be calculated at the end of each quarter for the prior eight (8) quarter period.

(2) Members of units failing to meet the net proceed requirement may subject their license to conduct bingo to administrative action, up to and including revocation.

(3) The calculation of net proceeds for a licensed authorized organization that withdraws from a unit will be based on the following for the eight (8) calendar quarters immediately preceding the license end date:

(A) the amount of distributions received from the unit; and

(B) the licensed authorized organization's quarterly reports.

(4) The Commission may request additional information from a member of a unit to assist in the determination of compliance with this section.

(d) Net proceeds may be recalculated for an organization or unit who has filed an original or amended return for a filing period used in the calculation of net proceeds when deemed necessary by the Commission or upon written request of the bingo chairperson of an organization.

(e) A licensed authorized organization may apply for a waiver from the net proceeds requirement by showing good cause that compliance is detrimental to the organization's existing or planned charitable purposes. Waiver applications must be submitted in accordance with §402.450 of this chapter (relating to Request for Waiver).

§402.503. Bingo Gift Certificates.

(a) A bingo gift certificate may be sold, issued, or redeemed for bingo paper, pull-tab bingo or card-minding devices provided that the licensed authorized organization or unit, as defined in Occupations Code, §2001.431(1), maintains adequate records relating to the gift certificate as provided in this section.

(b) A licensed authorized organization's cost of printing the bingo gift certificate is an allowable bingo expense and shall be paid out of the bingo checking account. In order to maintain adequate

records relating to gift certificates, all gift certificates shall be pre-numbered and consecutively issued.

(c) A bingo gift certificate may not be awarded as a prize for bingo unless the value of the certificate is paid for by the licensed authorized organization and recorded as a bingo prize on the daily schedule of prizes for the bingo occasion.

(d) A bingo gift certificate may not be awarded as a door prize unless the value of the certificate is paid for before it is awarded as a door prize.

(e) Each bingo gift certificate shall be:

(1) imprinted with the name and address of the licensed location(s) where the gift certificate may be redeemed for bingo paper, pull-tab bingo or card-minding devices;

(2) imprinted with the monetary value of the certificate;

(3) imprinted with the name of the licensed authorized organization(s) authorized to accept the bingo gift certificate at the licensed location;

(4) imprinted with the expiration date or a blank space for the licensed authorized organization or unit to fill in an expiration date; and

(5) paid for by the customer in full at the time it is issued by the licensed authorized organization or unit.

(f) A licensed authorized organization may not accept a gift certificate in exchange for bingo paper, pull-tab bingo or card-minding devices if the licensed authorized organization is not licensed to conduct bingo at the licensed location(s) imprinted on the gift certificate.

(g) Reporting Requirements:

(1) Funds from the sale of the gift certificate shall be maintained separately from the bingo funds. Such funds are not considered bingo funds until the gift certificate is redeemed for a bingo card, pull-tab bingo, or a card-minding device.

(2) Funds remaining from an expired or unredeemed gift certificate shall be disbursed equally among the participating licensed authorized organizations and deposited into each of their respective general fund accounts.

(3) When a gift certificate is redeemed, the sale of bingo paper, card-minding device, or pull-tab bingo shall be reported for that occasion. The gift certificate, when redeemed, shall be exchanged for cash from the gift certificate funds and deposited into the bingo account by the end of the third business day after the bingo occasion.

(4) At the end of each month, the licensed authorized organizations collectively shall reconcile the gift certificates purchased, sold, expired, redeemed, or remaining during the month to the cash on hand.

(h) Records Retention. The purchase invoice or receipt from the printing of a gift certificate and the reconciliation documents relating to the sale or redemption of gift certificates must be maintained and available for inspection by the Commission for a period of four years.

(i) Gift Certificate Log. A gift certificate log shall be maintained collectively by the participating licensed authorized organizations at the location(s) and shall include the following for each gift certificate:

(1) certificate number;

(2) certificate value;

(3) date of issue;

(4) expiration date;

1 (5) date of redemption; and

2 (6) if awarded as a bingo or door prize, the date of the bingo occasion and the date the prize
3 is awarded.

4 §402.600. Bingo Reports and Payments.

5 (a) On or before the 25th of the month prior to the end of the calendar quarter, the Commission
6 will mail the "Texas Bingo Conductor's Quarterly Reports", "Texas Lessor Quarterly Reports",
7 and "Manufacturer/Distributor Quarterly Reports and Supplements" to its licensees.

8 (b) Quarterly reports, supplements, and payments due to be submitted on a date occurring on a
9 Saturday, Sunday, or legal holiday will be due the next business day. The report will be deemed
10 filed when deposited with the United States Postal Service or private mail service, postage or
11 delivery charges paid and the postmark or shipping date indicated on the envelope is the date of
12 filing. For quarterly reports and supplements submitted electronically, the report will be deemed
13 filed as of the date and time sent from the specified e-mail address.

14 (c) Signature provisions.

15 (1) For the valid filing of paper quarterly reports and supplements, the bingo chairperson,
16 an officer, director, or bookkeeper must sign the report. By signing a report, the bingo chairperson,
17 officer, director, or bookkeeper declares that the information in the report is true and correct to the
18 best of their knowledge and belief.

19 (2) For the valid filing of electronic quarterly reports and supplements, the signature will
20 be the email address of the person sending the quarterly report.

21 (d) Quarterly Report for information relating to the conduct of bingo games.

22 (1) An authorized organization holding a regular license, temporary license, or a temporary
23 authorization to conduct bingo must file on a form prescribed by the Commission or in an

1 electronic format prescribed by the Commission a quarterly report for financial and statistical
2 information relating to the conduct of bingo games. The report and supplements must be filed with
3 the Commission on or before the 25th day of the month following the end of the calendar quarter
4 even if there were no games conducted during that quarter. Failure to file a required report or
5 supplement by the due date may result in an administrative penalty.

6 (2) The report and supplements must be filed under oath attesting to the information being
7 true and correct. Each officer and director is responsible for knowing the contents of the report and
8 supplements. The person signing the report must promptly provide a copy of the report and
9 supplements to such officer and director upon his/her request.

10 (3) The Commission may deny a renewal application of an authorized organization holding
11 a regular license or revoke a license of an authorized organization holding a regular license if the
12 licensee remits to the Commission two insufficient checks for prize fees within four quarters.

13 (e) Quarterly report for information relating to the lease of bingo premises.

14 (1) A commercial lessor holding a license to lease bingo premises must file on a form
15 prescribed by the Commission or in an electronic format prescribed by the Commission a quarterly
16 report stating the rental income received. The report shall also include information regarding
17 property taxes, insurance premiums, and utility expenses which are paid by the lessor, and
18 reimbursed by an authorized organization or unit to the lessor. The report and supplements must
19 be filed with the Commission on or before the 25th day of the month following the end of the
20 calendar quarter regardless of whether income was received. Failure to file a required report or
21 supplement by the due date may result in an administrative penalty.

22 (2) The report and supplements must be filed under oath attesting to the information being
23 true and correct. Each officer and director is responsible for knowing the contents of the report and

1 supplements. The person signing the report must promptly provide a copy of the report and
2 supplements to such officer and director upon his/her request.

3 (f) Quarterly report for information relating to a manufacturer or distributor license.

4 (1) A manufacturer of distributor shall file a report on a form prescribed by the Commission
5 or in an electronic format prescribed by the Commission, reflecting each sale or lease of bingo
6 equipment, and the total sales of cards, sheets, pads and instant bingo to a person or organization
7 in this state or for use in this state.

8 (2) The report and supplements shall be filed with regard to each calendar quarter and is
9 due on or before the last day of the month following the end of the quarter.

10 (3) The report and supplements must be filed under oath attesting to the information being
11 true and correct.

12 (4) The Commission will deny a renewal application or revoke a license of a manufacturer
13 or distributor where the licensee has failed to timely file with the Commission the required reports
14 or supplements three times within four consecutive quarters.

15 (5) Failure to file a required report or supplement by the due date may result in an
16 administrative penalty.

17 (g) A manufacturer or distributor shall use the eleven digit taxpayer number on file with the
18 Commission when submitting information relating to the sale or lease of bingo equipment, sales
19 of cards, sheets, pads and instant bingo. If six or more taxpayer numbers are incorrect on the report,
20 the Commission will return the report to the manufacturer or distributor for correction. The
21 licensee has thirty (30) calendar days to correct the taxpayer numbers and return the corrected
22 report to the Commission. If five or less taxpayer numbers are incorrect, the Commission will

1 notify the licensee of the taxpayer numbers that were changed and the correct numbers to be used
2 in the future.

3 (h) Failure to receive forms. The failure of a licensee to receive forms from the Commission does
4 not relieve the licensee from the requirement of filing reports and remitting prize fees as applicable
5 on a timely basis.

6 (i) Incorrect calculation of "Texas Bingo Conductor's Quarterly Report". If the total receipts and
7 total expenses do not total correctly, the Commission will mail the conductor a letter, with a copy
8 of the adjusted report, stating an adjustment has been made to the quarterly report. If the adjusted
9 quarterly report is correct, the licensee will maintain the copy in its file and no further action is
10 required. If the licensee does not agree with the adjusted quarterly report, an amended quarterly
11 report reflecting the correct data must be submitted to the Commission by the licensee.

12 (j) The licensed authorized organization must resolve or correct quarterly report exceptions within
13 thirty (30) calendar days from the date of notice.

14 (k) The Commission will deny a renewal application for a license to conduct bingo or a license to
15 lease bingo premises or revoke a license to conduct bingo or a license to lease bingo premises if
16 the licensee has failed to pay timely the prize fee due three times within four consecutive quarters
17 and a final jeopardy determination has been made by the Commission for three of the four
18 consecutive quarters in accordance with Occupations Code §2001.510 and §2001.511.

19 (l) Extensions.

20 (1) Filing extension because of natural disaster.

21 (A) The Director will grant to a licensee who has been identified as a victim of a
22 natural disaster an extension of not more than 90 days to file a quarterly report and supplements
23 or pay prize fees provided the licensee has filed a timely request for an extension. In determining

1 the natural disaster victims, the Commission shall recognize the counties that have been identified
2 by the Office of the Governor or the Comptroller of Public Accounts.

3 (B) The person owing the quarterly report, supplements, or prize fees must file a
4 written request for an extension at any time before the expiration of five working days after the
5 original due date in order to obtain an extension.

6 (C) If an extension under this paragraph is granted, interest on the unpaid prize fee
7 does not begin to accrue until the day after the day on which the extension expires, and prize fees
8 and penalties are assessed and determined as though the last day of the extension were the original
9 due date.

10 (2) Filing extension for reasons other than natural disaster.

11 (A) The Director may grant an extension of not more than thirty (30) days for the
12 filing of a quarterly report and supplements. Before a request for extension may be granted, a
13 written request setting out the reasons or grounds for an extension and 90% of the prize fees
14 estimated to be due must be received by the Commission postmarked on or before the due date of
15 the quarterly report.

16 (B) The granting of a request is within the discretion of the Director and the licensee
17 will be notified in five working days of the request of the decision of the Director.

18 (C) If the request is denied, there will be no penalty assessed if the return is filed
19 and remaining prize fee is paid not later than ten days from the date of the denial of the request of
20 the extension.

21 (3) A request postmarked after the due date for the filing of a request will not be considered.

22 (m) Rounding. Quarterly report entries must be rounded to whole dollar amounts, where indicated.

23 To round off amounts to the nearest whole dollar, drop amounts under 50 cents and increase

amounts from 50 - 99 cents to the next dollar. A quarterly report will not be considered inaccurate based on rounding numbers provided that such rounding does not result in more than a \$5.00 variance when all entries are summed up.

§402.706. Schedule of Sanctions.

(a) The purpose of this section is to provide guidance for administering sanctions to licensees and other persons that violate the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules. The Schedule of Sanctions attached to §402.706(c) provides a list of the most common violations and the sanctions generally assessed for those violations, though the Commission may deviate from the schedule if it has a reasonable basis to do so. The objectives for applying sanctions are to protect the public, encourage compliance with the Bingo Enabling Act and the Charitable Bingo Administrative Rules, deter future violations, offer opportunities for rehabilitation as appropriate, punish violators, and deter others from committing violations. This section is intended to promote consistent sanctions for similar violations, facilitate timely resolution of cases and encourage settlements.

(b) The Commission, through the Director of the Charitable Bingo Operations Division or their designee, may offer settlements to persons charged with violating the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules.

(c) Unless otherwise provided by this subchapter, the terms and conditions of a settlement agreement between the Commission and a person charged with violating the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules will be based on the Schedule of Sanctions incorporated into this section.

Figure: 16 TAC §402.706(c)

Standard Administrative Penalty Chart

Category 1

\$0 (Warning) to \$1,000 for the 1st offense, except a 1st offense for Violation No. 6 involving gambling devices may result in up to \$1000 administrative penalty and/or license suspension, revocation or denial, or registry removal or denial

\$0 (Warning) to \$1,000 and/or license suspension, revocation or denial, or registry removal or denial for the 2nd offense

No.	Violation
1	A person knowingly participated in the award of a prize to a bingo player in a manner that disregarded the random selection of numbers or symbols.
2	A person made a false statement in an application for a license.
3	A person falsified or made false entries in books and records.
4	A person conducted, promoted, or administered bingo without a license.
5	The licensee or a person designated as an agent for a unit failed to timely produce for inspection or audit any book, record, document, or other form of information requested by the Commission.
6	A person conducted or allowed a game of chance at a bingo premises during a bingo occasion, except as permitted under Occupations Code §2001.416 and 16 TAC §402.211.

Category 2

\$0 (Warning) to \$600 for the 1st offense

\$0 (Warning) to \$800 for the 2nd offense

\$0 (Warning) to \$1,000 and/or license suspension, revocation or denial, or registry removal or denial for the 3rd offense

No.	Violation
7	The organization conducted bingo outside of the licensed time.
8	The organization sold bingo cards, bingo card minders, or pull-tab bingo tickets at an unauthorized time.
9	The organization conducted bingo at an unauthorized location.
10	The organization that is a member of a unit did not conduct its bingo games separately from the bingo games of the other members of the unit.

11	The unit with an agent designated under Section 2001.438(b) failed to immediately notify the Commission of any change in the designated agent.
12	The organization allowed a person other than a bona fide member of the licensed authorized organization to conduct, promote, or administer, or assist in conducting, promoting, or administering, bingo.
13	The organization failed to have an authorized operator present at the bingo occasion.
14	A person not listed on the registry of approved bingo workers acted as an operator, manager, cashier, usher, caller, or salesperson for an organization.
15	The organization allowed a person(s) under the age of 18 to conduct or assist in the conduct of bingo.
16	The organization or unit failed to comply with the charitable distribution requirement.
17	The organization obtained by purchase or other manner bingo equipment, devices or supplies from a person other than a licensed distributor (except as provided in Section 2001.257(b)).

Category 3

\$0 (Warning) to \$400 for the 1st offense

\$0 (Warning) to \$600 for the 2nd offense

\$0 (Warning) to \$800 for the 3rd offense (Violation Nos. 18, 22, 23 – 28)

\$0 (Warning) to \$1,000 and/or license suspension, revocation or denial, or registry removal or denial for the 3rd offense (Violation Nos. 19, 20, 21, & 24)

No.	Violation
18	The licensee failed to report to the Commission in writing within ten (10) working days of the date of any change respecting any facts set forth in the application.
19	The licensee failed to respond, or timely respond, in writing to all relevant audit findings and recommendations in the draft audit report presented at the exit conference.
20	The organization failed to withhold prize fees.
21	The organization or unit failed to deposit in the bingo account all funds derived from the conduct of bingo, less the amount awarded as cash prizes.
22	The organization incurred or paid items of expense in connection with the conduct of a game of bingo that were not reasonable or necessary to conduct bingo.
23	Proceeds given to a person for a charitable purpose were used by the donee to pay for services rendered or materials purchased in connection with the conduct of bingo by the donor organization.

24	The net proceeds of any game of bingo and of any rental of premises for bingo were not used exclusively for charitable purpose or were used by the donee for an activity that would not constitute a charitable purpose, if the activity were conducted by the donor organization.
25	A person failed to maintain records that fully and truly record all transactions connected with the conduct of Bingo, the leasing of premises to be used for the conduct of bingo, or the manufacture, sale, or distribution of bingo supplies or equipment.
26	A commercial lessor licensed to conduct bingo, did not properly deposit in its bingo checking account all rental payments from authorized organizations conducting bingo at the location of the lessor.
27	Rent for premises used for the conduct of bingo that was paid to the lessor was not paid in a lump sum that included all expenses authorized by the Bingo Enabling Act, Section 2001.458.
28	For organizations or units, deposits were made later than the end of the third business day following the day of the bingo occasion on which the receipts were obtained.

Category 4

\$0 (Warning) to \$300 for the 1st offense

\$0 (Warning) to \$450 for the 2nd offense

\$0 (Warning) to \$600 for the 3rd offense

No.	Violation
29	The organization or unit deposited funds, other than from the conduct of bingo, in the bingo account.
30	The organization failed to clearly identify the conductor, by name exactly as it is shown on the license, on an advertisement or promotion of a bingo occasion.
31	Check(s) or slip(s) were made payable to 'cash' , 'bearer' , or to a fictitious payee.
32	Checks did not contain the required information.

Category 5

\$0 (Warning) to \$200 for the 1st offense

\$0 (Warning) to \$300 for the 2nd offense

\$0 (Warning) to \$400 for the 3rd offense

No.	Violation
33	Funds from the sale of a bingo gift certificate were not maintained separately from bingo funds until the certificate was redeemed for a bingo card, pull-tab bingo or a card-minding device.
34	The organization failed to have required information imprinted on each bingo gift certificate.

Category 6

\$0 (Warning) to \$100 for the 1st offense

\$0 (Warning) to \$150 for the 2nd offense

\$0 (Warning) to \$200 for the 3rd offense

No.	Violation
35	The organization failed to withdraw funds from the bingo account by preprinted, consecutively numbered checks or withdrawal slips.
36	The organization failed to keep and account for all checks, including voided checks and slips.

Category 7

\$0 (Warning) for the 1st offense

\$0 (Warning) for the 2nd offense

\$0 (Warning) to \$1,000 for the 3rd offense

No.	Violation
37	The organization failed to obtain, maintain, keep current and make available for review to any person upon request a copy of the Bingo Enabling Act and the Rules of the Commission.

(d) The following words and terms, when used in this section and §402.707, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Bingo Enabling Act--Occupations Code, Chapter 2001.

(2) Charitable Bingo Administrative Rules--Texas Administrative Code, Title 16, Part 9, Chapter 402.

(3) Licensee--a person issued a license under Occupations Code, Chapter 2001, or a Unit.

(4) Organization--a licensee, an applicant for a license, or a person required to obtain a bingo license.

(5) Respondent--a person responsible for answering a charge of violating the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules.

(6) Sanctions--revocation and suspension of a license, denial or an original or renewal application, denial of a bingo worker registry application, removal from the registry of bingo workers, administrative penalty, and warning letter.

(e) The Commission shall render the final decision in a contested case and has the responsibility to assess sanctions against licensees who are found to have violated the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules. The Commission welcomes any recommendation of an administrative law judge as to the appropriate sanctions imposed, but the Commission is not necessarily bound by such recommendations. A determination of the appropriate sanction is reserved to the Commission consistent with the Bingo Enabling Act.

(f) Additional remedies may be imposed along with or in lieu of sanctions, which may include: a redeposit of funds to the bingo account; a removal of funds from the bingo account; or a disbursement of net proceeds in order to comply with the charitable distribution requirement.

(g) A settlement agreed to under this section shall be in the form of a written Memorandum of Agreement and Consent Order prepared by the Commission that must be signed by both parties. A Memorandum of Agreement and Consent Order shall contain findings of fact and conclusions of law. The conditions of the settlement, including the imposition of sanctions, shall be completed

1 within the time frame provided for in the settlement. Failure to comply with the conditions of the
2 settlement may subject the respondent to further administrative action.

3 (h) The list of violations in the Schedule of Sanctions is not an exclusive list of violations of the
4 Bingo Enabling Act or the Charitable Bingo Administrative Rules.

5 (i) If a person is charged with a repeat violation within 36 months (3 years) of a previous violation,
6 then the sanction for a repeat violation will be imposed according to the Schedule of Sanctions for
7 repeat violations.

8 (j) The sanction(s) imposed will be determined by considering the following factors, as applicable:

9 (1) seriousness of the violation which includes the nature, circumstances, extent and gravity
10 of the prohibited acts;

11 (2) history of previous violations which includes:

12 (A) the number of previous violations; and

13 (B) the number of repeated violations;

14 (3) the action(s) necessary to deter future violations;

15 (4) efforts to correct the violation after awareness of the violation through personal
16 knowledge or notification by the commission;

17 (5) any other matter that justice may require, including:

18 (A) whether the violation was intentional, inadvertent, simple negligence, gross
19 negligence, or the unavoidable result of a related violation;

20 (B) cooperation with the Commission during its examination, audit, or investigation
21 of the person;

22 (C) length of time the licensee has held a license;

23 (D) risk to the public or state;

1 (E) whether the organization or person has acknowledged a violation and agreed to
2 comply with the terms and conditions of remedial action through an agreed settlement with the
3 Commission; and

4 (F) the cost of the investigation, examination or audit associated with the violation.

5 (k) If the Director or the Director's designee and the authorized representative for the respondent
6 agree, the two parties may utilize §402.707, Expedited Administrative Penalty Guideline as
7 alternative guidance related to this subsection.

8 (l) The Commission may impose lesser sanctions than those listed in the Schedule of Sanctions for
9 a particular violation if mitigating circumstances exist, including mitigating circumstances
10 described in §402.706(j)(5)(A) - (E).

11 §402.707. Expedited Administrative Penalty Guideline.

12 (a) The purpose of this subchapter is to provide an alternative disciplinary procedure for certain
13 violations of the Bingo Enabling Act (Act) and the Charitable Bingo Administrative Rules (Rules)
14 in which the Director of the Charitable Bingo Operations Division seeks to facilitate expeditious
15 resolution of cases and encourage settlements.

16 (b) The list of statutory violations in the Expedited Administrative Penalty Chart is not an exclusive
17 list of violations that may be expedited. The scope of this guideline will be limited to violations of
18 the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules that are identified by
19 the Director or their designee.

20 (c) Upon completion of an examination, inspection, audit, or investigation, and after which both
21 parties have agreed that an alleged violation of the Bingo Enabling Act or the Charitable Bingo
22 Administrative Rules can be resolved expeditiously, the Director or their designee may cause a

1 Notice of Administrative Violation and Settlement Agreement (NAVSA) to be issued to an
2 authorized representative for the respondent.

3 (d) The NAVSA shall include the following information:

4 (1) date of the notice;

5 (2) names and addresses of both parties;

6 (3) a brief summary of the alleged violation;

7 (4) the dollar amount of the administrative penalty recommended by the Director or his
8 designee;

9 (5) a brief explanation of the additional conditions required to ensure future compliance
10 with the Act or Rules alleged to be violated;

11 (6) notice that an investigation, including an examination or audit, was conducted which
12 alleges a violation was committed;

13 (7) a statement signed by an authorized representative for the respondent indicating the
14 respondent agrees to the terms of the settlement being offered;

15 (8) notice that if the person does not accept the settlement offered, they may request an
16 informal dispute resolution conference in accordance with §402.708 of this chapter or a hearing
17 on the occurrence of the violation, the amount of the penalty or both; and

18 (9) notice that if the person does not accept the settlement offered or request a hearing, the
19 Commission may seek the maximum penalty authorized for the violation under the Bingo Enabling
20 Act and the Charitable Bingo Administrative Rules, which may include revocation, suspension or
21 denial of the person's license or worker registration, or application for a license or worker
22 registration as applicable.

(e) The respondent shall have 20 calendar days from the date the respondent receives the NAVSA to accept the recommendation of the Director, including the recommended administrative penalty; or make a written request for a hearing on the determination. The respondent shall have 10 calendar days from the date the respondent receives the NAVSA to request an informal dispute resolution conference, which must occur within 20 calendar days of the respondent's receipt of the NAVSA. If notification of acceptance or the written request for a hearing is not made within 20 days, or if an informal dispute resolution conference does not resolve the dispute, the Director shall cause a hearing to be set and give notice of the hearing to the respondent. The opportunity for an agreement in accordance with this subsection will expire.

(f) After the NAVSA is accepted and returned to the Commission, the NAVSA will be forwarded to the Director for final approval and a copy will be forwarded to the respondent along with the Order. The respondent will have 60 days from the date of the Order to pay the recommended administrative penalty. Failure to comply with the terms of this Agreement may result in the imposition of a more severe degree of penalty which may include the revocation, suspension, denial of the license or worker registration, or removal from the worker registry as applicable.

(g) If a person is charged with a repeat violation that may be expedited within 36 months (3 years) of the first violation, then the penalty for a repeat violation will be imposed according to the Expedited Administrative Penalty Chart for repeat violations.

Figure: 16 TAC §402.707(g)

Expedited Administrative Penalty Chart

Violation	Penalty
The organization conducted bingo outside of the licensed time.	1 st Offense - \$200 2 nd Offense - \$300 3 rd Offense - \$500

The organization sold pull-tab bingo tickets at an unauthorized time.	1 st Offense - \$200 2 nd Offense - \$300 3 rd Offense - \$500
The organization that is a member of a unit did not conduct its bingo games separately from the bingo games of the other members of the unit.	1 st Offense - Warn 2 nd Offense - \$300 3 rd Offense - \$500
The organization failed to have an authorized operator present at the bingo occasion.	1 st Offense - \$200 2 nd Offense - \$300 3 rd Offense - \$500
Prizes with an aggregate value of more than \$5,000.00 for bingo games other than pull-tab bingo and prizes of \$50 or less, as described in §2001.420(b)(2) of the Occupations Code, were offered or awarded for a single bingo occasion.	1 st Offense - \$200 2 nd Offense - \$300 3 rd Offense - \$500
The organization failed to prevent bingo workers from playing bingo.	1 st Offense - \$150 2 nd Offense - \$225 3 rd Offense - \$375
The organization offered or provided to a person the opportunity to play bingo without charge.	1 st Offense - \$150 2 nd Offense - \$225 3 rd Offense - \$375
The organization or lessor failed to conspicuously display the license issued at the place where the game was conducted at all times during the conduct of the game.	1 st Offense - \$100 2 nd Offense - \$150 3 rd Offense - \$250
The organization failed to have required information imprinted on each bingo gift certificate, specifically: the name and address of the licensed location(s) where the certificate may be redeemed for bingo paper, pull-tab bingo or card-minding devices; the monetary value of the certificate; the name of the licensed organization(s) authorized to accept the certificate; or the expiration date or blank space for the organization or unit to fill in an expiration date.	1 st Offense - \$50 2 nd Offense - \$75 3 rd Offense - \$125
A door prize with a value of more than \$250.00 was offered or awarded.	1 st Offense - \$50 2 nd Offense - \$75 3 rd Offense - \$125
The organization failed to conspicuously display during a bingo occasion a sign indicating the operator in charge, the sign contained letters less than one (1) inch in height, the sign failed to inform the players that they should direct any questions or complaints regarding the conduct of the bingo occasion to the operator listed on the sign, or the sign failed to state	1 st Offense - \$30 2 nd Offense - \$45 3 rd Offense - \$75

that if the player is not satisfied with the operators response that the player has the right to file a formal complaint with the Commission.	
The organization failed to verify winning bingo cards by someone at another table or location other than the winners, or by an electronic verifier system, winning cards were not shown on a monitor visible to all players, or the disposable card(s) or electronic representation of the card, was not posted for inspection for at least 30 minutes after the completion of the last game of that organization's occasion.	1 st Offense - \$30 2 nd Offense - \$45 3 rd Offense - \$75
The organization failed to obtain, maintain, keep current and make available for review to any person upon request a copy of the Bingo Enabling Act and the Rules of the Commission.	1 st Offense - Warn 2 nd Offense - Warn 3 rd Offense - \$75
Violations by a Worker	
A person not listed on the registry of approved bingo workers acted as an operator, manager, cashier, usher, caller, or salesperson for an organization.	1 st Offense - Warn 2 nd Offense - \$45 3 rd Offense - \$75
A registered worker or operator for an organization did not wear, present, visibly display, or list the individuals name and unique registration number in a legible manner on his/her prescribed identification card, while on duty.	1 st Offense - Warn 2 nd Offense - \$20 3 rd Offense - \$35