



INTEROFFICE MEMO

Ryan Mindell, Executive Director

LaDonna Castañuela, Charitable Bingo Operations Director

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

Approved

Denied

From: Tyler Vance, Assistant General Counsel

TV

Date: October 29, 2024

Re: Consideration of and possible discussion and/or action, including proposal, on repeal of existing 16 TAC §§ 402.301 (Bingo Card/Paper) and 402.303 (Pull-tab or Instant Bingo Dispensers); new 16 TAC §§ 402.105 (Postmarks, Timely Filing of Forms, Reports, Applications and Payment of Taxes and Fees), 402.301 (Approval of Pull-Tab Bingo Tickets), 402.302 (Pull-Tab Bingo Manufacturing Requirements), 402.303 (Pull-Tab Bingo Sales and Redemption), 402.304 (Pull-Tab Bingo Record Keeping), 402.305 (Pull-Tab Bingo Styles of Play), 402.306 (Bingo Card/Paper Definitions), 402.307 (Bingo Card/Paper Approval), 402.308 (Bingo Card/Paper Manufacturing Requirements), 402.309 (Bingo Card/Paper Record Keeping), 402.310 (Bingo Card/Paper Styles of Play), and 402.311 (Pull-Tab or Instant Bingo Dispensers); and amendments to 16 TAC §§ 402.100 (Definitions), 402.101 (Advisory Opinions), 402.102 (Bingo Advisory Committee), 402.103 (Training Program), 402.200 (General Restrictions on the Conduct of Bingo), 402.201 (Prohibited Bingo Occasion), 402.202 (Transfer of Funds), 402.203 (Unit Accounting), 402.210 (House Rules), 402.212 (Promotional Bingo), 402.300 (Pull-Tab Bingo), 402.324 (Card-Minding Systems--Approval of Card-Minding Systems), 402.325 (Card-Minding Systems--Licensed Authorized Organizations Requirements), 402.326 (Card-Minding Systems--Distributor Requirements), 402.334 (Shutter Card Bingo Systems - Approval of Shutter Card Bingo Systems), 402.400 (General Licensing Provisions), 402.401 (Temporary License), 402.402 (Registry of Bingo Workers), 402.404 (License Classes and Fees), 402.411 (License Renewal), 402.443 (Transfer of a Grandfathered Lessor's Commercial Lessor License), 402.500 (General Records Requirements), 402.502 (Charitable Use of Net Proceeds Recordkeeping), 402.600 (Bingo Reports and Payments), 402.601 (Interest on Delinquent Tax), 402.602 (Waiver of Penalty, Settlement of Prize Fees, Penalty and/or Interest), 402.702 (Disqualifying Convictions), 402.703 (Audit Policy), 402.706 (Schedule of Sanctions), and 402.707 (Expedited Administrative Penalty Guideline).

Attached is a draft rule proposal for (i) the repeal of, (ii) new; and (iii) amendments to the above-referenced rules prepared for submission to the Texas Register. The proposed repeals, new rules, and amendments are the result of the Texas Lottery Commission's (Commission) recent rule review conducted in accordance with Texas Government Code §2001.039, as well as the agency's recent review by the Texas Sunset Advisory Commission. Among the more significant changes, this proposal addresses issues identified as rulemaking gaps in the May 2024 Texas Sunset Advisory Commission Staff Report (Staff Report). Specifically, the Staff Report noted that there was "no clarification of what classifies as a bingo hall's 'premises'..." (addressed in Rule 402.100), "no clarification that bingo products may not be purchased using a credit card ..." (addressed in Rule 402.200), "no clarification of how certain grandfathered bingo licenses may be transferred" (addressed in Rule 402.443), and "no definition of what constitutes a repeat

violation ...” (addressed in Rule 402.706). The Staff Report also recommended considering a licensee’s compliance history in audit determinations (addressed in Rule 402.703) and eliminating warnings for serious offenses and repeat violations of less serious offenses (addressed in Rules 402.706 and 402.707).

This proposal also amends aspects of the Bingo Advisory Committee (BAC) to ensure that it complies with the Bingo Enabling Act (BEA); breaks two comprehensive rules on pull-tabs and bingo paper into multiple smaller rules for ease of reference; creates a single standard for determining when a form, report, application, or payment has been mailed to the Commission; clarifies and updates agency processes; eliminates references to terms, laws, and processes that are no longer in place; and conforms the rules to the BEA.

- The proposed new Rule 402.105 establishes a single standard for determining the timeliness of filings by licensees. A form, report, application, or payment will be deemed filed or paid based on the postmark or receipt mark date, or, if filed electronically, the day that it was filed. Currently, there are different standards throughout the rules depending on the type of document or payment filed. The different standards will be deleted in this rulemaking and replaced by this single rule. This new rule was modeled on a similar rule adopted by the Comptroller of Public Accounts used to determine the timeliness of tax payments and related forms.
- The proposed new Rules 402.301, 402.302, 402.303, 402.304 and 402.305 are necessary to break the current Rule 402.300, regarding pull-tab bingo tickets, into smaller rules for ease of reference. There are no changes to the rule language from the current version.
- The proposed new Rules 402.306, 402.307, 402.308, 402.309, and 402.310 are necessary to break the current Rule 402.301, regarding bingo card/paper, into smaller rules for ease of reference. The new Rules 402.306 and 402.310 also contain amendments allowing break-open bingo games to be pre-called, and will properly categorize braille and loteria cards as bingo equipment that require approval by the Commission. There are no other changes to the rule language from the current version.
- The proposed new Rule 402.311, regarding pull-tab or instant bingo dispensers, is currently at Rule 402.303 and needs to be moved to break Rule 402.300 into multiple parts. There are no changes to the rule language from the current version.
- The proposed amendments to Rule 402.100 include a definition of “premises” that conforms with the BEA. This change addresses a gap that was identified by the Staff Report.
- The proposed amendments to Rule 402.101 change a reference to the bingo operations director from “his” to “his or her” and eliminate the requirement that the general counsel approve a bingo advisory opinion before it is issued.
- The proposed amendments to Rule 402.102 eliminate the appointment of a substitute member to the BAC if a member from one of the required interest groups cannot be appointed; clarify that a member serves at the pleasure of the Commission or until they resign or are unable to serve; provide for virtual meetings; and clarify the BAC’s annual reporting deadline and reappointment process.
- The proposed amendments to Rule 402.103 clarify that conductors may only choose an on-site bingo training program if one is available. The amendments also codify the agency’s practice that non-regular conductors are not subject to training requirements.
- The proposed amendments to Rule 402.200 correct a typo and specify that formal complaints to the Commission must be in writing. The amendments also codify a prior bingo advisory opinion

that organizations may not accept credit payments for bingo products. This change addresses a gap that was identified by the Staff Report.

- The proposed amendments to Rule 402.201 codify the long-standing Commission practice and process of issuing cease-and-desist letters and copying local law enforcement in substantiated cases of illegal bingo.
- The proposed amendments to Rule 402.202 delete a reference to the timely submission of a transfer of funds form. This rule is no longer necessary due to the new rule on timeliness of submissions at Rule 402.105.
- The proposed amendments to Rule 402.203 delete a reference that allows the sale of pull-tab bingo tickets between organizations with the prior written consent of the Commission. The authority for an organization to sell certain bingo products to another organization with the prior approval of the Commission comes from Bingo Enabling Act §2001.407(f). That section does not provide for the sale of pull-tabs.
- The proposed amendments to Rule 402.210 require organizations to prohibit any person from offering to sell bingo products or offering to award bingo prizes to persons outside of a bingo occasion via a telecommunications device.
- The proposed amendments to Rule 402.212 clarify that approval for a promotional bingo event will only be issued if the request complies with all the requirements of the rule.
- The proposed amendments to Rule 402.300 are necessary to break the current Rule 402.300, regarding pull-tab bingo tickets, into smaller rules for ease of reference. There are no changes to the rule language from the current version.
- The proposed amendments to Rule 402.324 eliminate all references to the Commission's testing lab and require manufacturers to provide any forms and documentation necessary to ensure that their card-minding systems comply with required standards.
- The proposed amendments to Rule 402.325 provide that the voided receipts organizations are required to attach to the bingo occasion report must include all payments (cash or otherwise) for pre-sales.
- The proposed amendments to Rule 402.326 delete an obsolete reference to "dedicated modem phone lines."
- The proposed amendments to Rule 402.334 provide that a manufacturer must provide any software necessary to determine if its shutter card bingo system meets rule requirements.
- The proposed amendments to Rule 402.400 provide that the Commission will not return a license application when the applicant has failed to respond to a request for more information within 21 days.
- The proposed amendments to Rule 402.401 clarify that a regular organization that surrenders its regular license may retain up to 12 unused temporary licenses so long as their dates-of-use are designated within 10 days of the surrender. The amendments also correct references to two forms.
- The proposed amendments to Rule 402.402 eliminate the requirement for an applicant to list his or her race on an application for the worker registry.

- The proposed amendments to Rule 402.404 eliminate unnecessary references to “regular” licenses.
- The proposed amendments to Rule 402.411 allow the division to “provide” renewal notices rather than “mail” them, and delete a reference to the timely submission of license renewal applications, which is no longer necessary due to the proposed new Rule 402.105.
- The proposed amendments to Rule 402.443 provide that a grandfathered license held by a legal entity is not considered to be transferred due to changes to the legal entity so long as the entity’s taxpayer number remains the same. This rule codifies the Commission’s practice on the transfer of grandfathered lessor licenses and conforms with a previously issued Office of the Attorney General Opinion. This change addresses a gap that was identified by the Staff Report.
- The proposed amendments to Rule 402.500 codify the Commission’s practice that bingo operations must use cash basis accounting.
- The proposed amendments to Rule 402.502 eliminate unnecessary language related to the kinds of documentation that may be relied on to prove charitable distributions were properly made.
- The proposed amendments to Rule 402.600 delete references to the timely submission of bingo reports and payments. These references are no longer necessary due to the new rule on timeliness of all submissions at Rule 402.105.
- The proposed amendments to Rule 402.601 provide that a credit of \$100 or less entered by an organization or lessor on its quarterly report will be accessible for viewing in the Bingo Service Portal, rather than preprinted on the quarterly report.
- The proposed amendments to Rule 402.602 eliminate waivers of penalties and interest due to the late payment of prize fees. Penalties and interest for late prize fee payments come from BEA §2001.504. That section does not provide for a waiver of the penalty and interest, in contrast to BEA §2001.451(k) which explicitly allows the director to waive net proceeds and charitable distribution requirements. The difference between those provisions indicates that the legislature did not intend to give the director the ability to waive penalties and interest for the late payment of prize fees.
- The proposed amendments to Rule 402.702 eliminate a reference to a statute that no longer exists.
- The proposed amendments to Rule 402.703 provide that a licensee’s compliance history shall be considered as a risk factor in audit determinations. This change addresses a gap that was identified by the Staff Report.
- The proposed amendments to Rule 402.706 eliminate warnings for first time violations of serious offenses or repeat violations of lesser offenses. The amendments also provide a definition of “repeat violation.” This change addresses a gap that was identified by the Staff Report.
- The proposed amendments to Rule 402.707 change the bingo operations director’s pronoun from “his” to “his or her”; reiterate that formal complaints must be in writing; and eliminate warnings for repeat offenses. This change addresses a gap that was identified by the Staff Report.

If approved for publication, the Commission will hold a public hearing to receive comments on this proposal at 1:00 p.m. on December 4, 2024, at 1801 Congress Ave., Austin, TX 78701, George H. W. Bush Building, 4th Floor, Board Room 4.300.

Recommendation: Staff recommends the Commission initiate the rulemaking process by publishing the attached proposal in the Texas Register in order to receive public comments for a period of 30 days.

The Texas Lottery Commission (Commission) proposes the repeal of existing 16 TAC §§ 402.301 (Bingo Card/Paper) and 402.303 (Pull-tab or Instant Bingo Dispensers); the addition of new 16 TAC §§ 402.105 (Postmarks, Timely Filing of Forms, Reports, Applications and Payment of Taxes and Fees), 402.301 (Approval of Pull-Tab Bingo Tickets), 402.302 (Pull-Tab Bingo Manufacturing Requirements), 402.303 (Pull-Tab Bingo Sales and Redemption), 402.304 (Pull-Tab Bingo Record Keeping), 402.305 (Pull-Tab Bingo Styles of Play), 402.306 (Bingo Card/Paper Definitions), 402.307 (Bingo Card/Paper Approval), 402.308 (Bingo Card/Paper Manufacturing Requirements), 402.309 (Bingo Card/Paper Record Keeping), 402.310 (Bingo Card/Paper Styles of Play), and 402.311 (Pull-Tab or Instant Bingo Dispensers); and amendments to 16 TAC §§ 402.100 (Definitions), 402.101 (Advisory Opinions), 402.102 (Bingo Advisory Committee), 402.103 (Training Program), 402.200 (General Restrictions on the Conduct of Bingo), 402.201 (Prohibited Bingo Occasion), 402.202 (Transfer of Funds), 402.203 (Unit Accounting), 402.210 (House Rules), 402.212 (Promotional Bingo), 402.300 (Pull-Tab Bingo), 402.324 (Card-Minding Systems--Approval of Card-Minding Systems), 402.325 (Card-Minding Systems--Licensed Authorized Organizations Requirements), 402.326 (Card-Minding Systems--Distributor Requirements), 402.334 (Shutter Card Bingo Systems - Approval of Shutter Card Bingo Systems), 402.400 (General Licensing Provisions), 402.401 (Temporary License), 402.402 (Registry of Bingo Workers), 402.404 (License Classes and Fees), 402.411 (License Renewal), 402.443 (Transfer of a Grandfathered Lessor's Commercial Lessor License), 402.500 (General Records Requirements), 402.502 (Charitable Use of Net Proceeds Recordkeeping), 402.600 (Bingo Reports and Payments), 402.601 (Interest on Delinquent Tax), 402.602 (Waiver of Penalty, Settlement of Prize Fees, Penalty and/or Interest), 402.702 (Disqualifying Convictions), 402.703 (Audit Policy), 402.706 (Schedule of Sanctions), and 402.707 (Expedited Administrative Penalty Guideline).

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2 recent rule review conducted in accordance with Texas Government Code §2001.039, as well as
3 the agency’s recent review by the Texas Sunset Advisory Commission. Among the more
4 significant changes, this proposal addresses issues identified as rulemaking gaps in the May 2024
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6 noted that there was “no clarification of what classifies as a bingo hall’s ‘premises’...” (addressed
7 in Rule 402.100), “no clarification that bingo products may not be purchased using a credit card
8 ...” (addressed in Rule 402.200), “no clarification of how certain grandfathered bingo licenses
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10 violation ...” (addressed in Rule 402.706). The Staff Report also recommended considering a
11 licensee’s compliance history in audit determinations (addressed in Rule 402.703) and eliminating
12 warnings for serious offenses and repeat violations of less serious offenses (addressed in Rules
13 402.706 and 402.707).

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15 it complies with the Bingo Enabling Act (BEA); breaks two comprehensive rules on pull-tabs and
16 bingo paper into multiple smaller rules for ease of reference; creates a single standard for
17 determining when a form, report, application, or payment has been mailed to the Commission;
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19 no longer in place; and conforms the rules to the BEA.

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21 timeliness of filings by licensees. A form, report, application, or payment will be deemed filed or
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19 director from “his” to “his or her” and eliminate the requirement that the general counsel approve
20 a bingo advisory opinion before it is issued.

21 The proposed amendments to Rule 402.102 eliminate the appointment of a substitute
22 member to the BAC if a member from one of the required interest groups cannot be appointed;
23 clarify that a member serves at the pleasure of the Commission or until they resign or are unable

1 to serve; provide for virtual meetings; and clarify the BAC's annual reporting deadline and
2 reappointment process.

3 The proposed amendments to Rule 402.103 clarify that conductors may only choose an on-
4 site bingo training program if one is available. The amendments also codify the agency's practice
5 that non-regular conductors are not subject to training requirements.

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7 complaints to the Commission must be in writing. The amendments also codify a prior bingo
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11 and process of issuing cease-and-desist letters and copying local law enforcement in substantiated
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14 a transfer of funds form. This rule is no longer necessary due to the new rule on timeliness of
15 submissions at Rule 402.105.

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17 tab bingo tickets between organizations with the prior written consent of the Commission. The
18 authority for an organization to sell certain bingo products to another organization with the prior
19 approval of the Commission comes from Bingo Enabling Act §2001.407(f). That section does not
20 provide for the sale of pull-tabs.

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22 from offering to sell bingo products or offering to award bingo prizes to persons outside of a bingo
23 occasion via a telecommunications device.

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2 event will only be issued if the request complies with all the requirements of the rule.

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4 402.300, regarding pull-tab bingo tickets, into smaller rules for ease of reference. There are no
5 changes to the rule language from the current version.

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7 testing lab and require manufacturers to provide any forms and documentation necessary to ensure
8 that their card-minding systems comply with required standards.

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10 are required to attach to the bingo occasion report must include all payments (cash or otherwise)
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13 modem phone lines."

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17 license application when the applicant has failed to respond to a request for more information
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20 surrenders its regular license may retain up to 12 unused temporary licenses so long as their dates-
21 of-use are designated within 10 days of the surrender. The amendments also correct references to
22 two forms.

1 The proposed amendments to Rule 402.402 eliminate the requirement for an applicant to
2 list his or her race on an application for the worker registry.

3 The proposed amendments to Rule 402.404 eliminate unnecessary references to “regular”
4 licenses.

5 The proposed amendments to Rule 402.411 allow the division to “provide” renewal notices
6 rather than “mail” them, and delete a reference to the timely submission of license renewal
7 applications, which is no longer necessary due to the proposed new Rule 402.105.

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9 legal entity is not considered to be transferred due to changes to the legal entity so long as the
10 entity’s taxpayer number remains the same. This rule codifies the Commission’s practice on the
11 transfer of grandfathered lessor licenses and conforms with a previously issued Office of the
12 Attorney General Opinion. This change addresses a gap that was identified by the Staff Report.

13 The proposed amendments to Rule 402.500 codify the Commission’s practice that bingo
14 operations must use cash basis accounting.

15 The proposed amendments to Rule 402.502 eliminate unnecessary language related to the
16 kinds of documentation that may be relied on to prove charitable distributions were properly made.

17 The proposed amendments to Rule 402.600 delete references to the timely submission of
18 bingo reports and payments. These references are no longer necessary due to the new rule on
19 timeliness of all submissions at Rule 402.105.

20 The proposed amendments to Rule 402.601 provide that a credit of \$100 or less entered by
21 an organization or lessor on its quarterly report will be accessible for viewing in the Bingo Service
22 Portal, rather than preprinted on the quarterly report.

1 The proposed amendments to Rule 402.602 eliminate waivers of penalties and interest due
2 to the late payment of prize fees. Penalties and interest for late prize fee payments come from BEA
3 §2001.504. That section does not provide for a waiver of the penalty and interest, in contrast to
4 BEA §2001.451(k) which explicitly allows the director to waive net proceeds and charitable
5 distribution requirements. The difference between those provisions indicates that the legislature
6 did not intend to give the director the ability to waive penalties and interest for the late payment
7 of prize fees.

8 The proposed amendments to Rule 402.702 eliminate a reference to a statute that no longer
9 exists.

10 The proposed amendments to Rule 402.703 provide that a licensee's compliance history
11 shall be considered as a risk factor in audit determinations. This change addresses a gap that was
12 identified by the Staff Report.

13 The proposed amendments to Rule 402.706 eliminate warnings for first time violations of
14 serious offenses or repeat violations of lesser offenses. The amendments also provide a definition
15 of "repeat violation." This change addresses a gap that was identified by the Staff Report.

16 The proposed amendments to Rule 402.707 change the bingo operations director's pronoun
17 from "his" to "his or her"; reiterate that formal complaints must be in writing; and eliminate
18 warnings for repeat offenses. This change addresses a gap that was identified by the Staff Report.

19 LaDonna Castañuela, Charitable Bingo Operations Director, has determined that for each
20 year of the first five years the proposed repeals, new rules and amendments will be in effect, the
21 public benefit expected includes clearer and more efficient standards on filing deadlines and other
22 division processes; more easily searchable rules; correction of typos and deletion of obsolete rules;
23 conforming the rules to the Bingo Enabling Act with respect to the Bingo Advisory Committee,

1 penalty waivers, and the transfer of pull-tabs; and addressing issues identified as rulemaking gaps
2 in the Staff Report.

3 Sergio Rey, Controller, has determined that for each year of the first five years the proposed
4 repeals, new rules and amendments will be in effect, there will be no significant fiscal impact for
5 state or local governments as a result of the proposed repeals, new rules and amendments. There
6 will be no adverse effect on small businesses or rural communities, micro businesses, or local or
7 state employment. There will be no additional economic cost to persons required to comply with
8 the repeals, new rules and amendments, as proposed. Furthermore, an Economic Impact Statement
9 and Regulatory Flexibility Analysis is not required because the proposed repeals, new rules and
10 amendments will not have an adverse economic effect on small businesses or rural communities
11 as defined in Texas Government Code §2006.001(1-a) and (2).

12 Pursuant to Texas Government Code §2001.0221, the Commission provides the following
13 Government Growth Impact Statement for the proposed repeals, new rules and amendments. For
14 each year of the first five years the proposed repeals, new rules and amendments will be in effect,
15 Sergio Rey, Controller, has determined the following:

16 (1) The proposed repeals, new rules and amendments do not create or eliminate a
17 government program.

18 (2) Implementation of the proposed repeals, new rules and amendments does not require
19 the creation of new employee positions or the elimination of existing employee positions.

20 (3) Implementation of the proposed repeals, new rules and amendments does not require
21 an increase or decrease in future legislative appropriations to the Commission.

22 (4) The proposed repeals, new rules and amendments do not require an increase or decrease
23 in fees paid to the Commission.

1 (5) The proposed repeals, new rules and amendments do not create a new regulation.

2 (6) The proposed repeals, new rules and amendments do not expand or limit an existing
3 regulation.

4 (7) The proposed repeals, new rules and amendments do not increase or decrease the
5 number of individuals subject to the rule's applicability.

6 (8) The proposed repeals, new rules and amendments do not positively or adversely affect
7 this state's economy.

8 The Commission requests comments on the proposed repeals, new rules and amendments
9 from any interested person. Comments may be submitted to Tyler Vance, Assistant General
10 Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630; by
11 facsimile at (512) 344-5189; or by email at *legal.input@lottery.state.tx.us*. Comments must be
12 received within 30 days after publication of this proposal in the *Texas Register* to be considered.
13 The Commission will also hold a public hearing to receive comments on this proposal at 1:00 p.m.
14 on December 4, 2024, at 1801 Congress Ave., George H. W. Bush Building, 4th Floor, Board
15 Room 4.300, Austin, TX, 78701.

16 The repeals, new rules and amendments are proposed under Texas Occupations Code
17 §2001.054, which authorizes the Commission to adopt rules to enforce and administer the Bingo
18 Enabling Act, and Texas Government Code §467.102, which authorizes the Commission to adopt
19 rules for the enforcement and administration of the laws under the Commission's jurisdiction.

20 This proposal is intended to implement Texas Occupations Code, Chapter 2001.
21 §402.100. Definitions.

22 The following words and terms, when used in this chapter and Texas Occupations Code, Chapter
23 2001, shall have the following meanings, unless the context clearly indicates otherwise.

(1) – (8) (No change.)

(9) Premises--The area subject to the direct control of and actual use by a licensed authorized organization or group of authorized organizations to conduct bingo. There may not be more than one premises under a common roof or over a common foundation. A premises must have an address. The term does not include a virtual location or place.

§402.101. Advisory Opinions.

(a) Time Period.

(1) – (2) (No change.)

(3) The authority granted by Occupations Code, §2001.059, is delegated to the Charitable Bingo Operations Director or his or her designee. ~~[The General Counsel must approve the advisory opinion prior to the issuance of the advisory opinion by the Charitable Bingo Operations Director.]~~
The Commission by separate order may delegate to an employee of the Commission the authority granted.

(4) (No change.)

(b) – (e) (No change.)

§402.102. Bingo Advisory Committee.

(a) (No change.)

(b) What is the composition of the Bingo Advisory Committee?

(1) – (2) (No change.)

~~[(3) If there is not an individual to represent one of the required interest groups, the Commission may appoint a member from the remaining interest groups.]~~

(c) – (e) (No change.)

(f) ~~[How long may members serve on the BAC?]~~

1 ~~[(1) The Commission appoints each member to serve for a one-year term or until the~~
2 ~~Commission appoints a successor.]~~

3 [(2)] Each member serves at the pleasure of the Commission or until they resign or are
4 unable to serve.

5 (g) (No change.)

6 (h) When and where does the BAC meet?

7 (1) (No change.)

8 (2) BAC meetings may ~~[must]~~ be held virtually or at a state office building ~~[the~~
9 ~~Commission headquarters]~~ in Austin, Texas. ~~[Texas; provided that, meetings may be held at a~~
10 ~~location in Texas other than Austin, subject to the discretion of the Commission and BAC~~
11 ~~presiding officer.]~~

12 (i) – (m) (No change.)

13 (n) What are the BAC's reporting requirements?

14 (1) – (2) (No change.)

15 (3) At the final Commission meeting of any state fiscal year, the BAC will report to the
16 Commission on its activities relating to the Commission-approved workplan for the preceding
17 fiscal year ~~[At the first Commission meeting held prior to September 1 each year, the BAC will~~
18 ~~provide to the Commission a report of its activities as they relate to the workplan approved by the~~
19 ~~Commission the previous year].~~

20 (o) When does the BAC cease to exist? The BAC will cease to exist annually on August 31, unless
21 the Commission, prior to August 31, votes to continue the BAC. The Commission may continue
22 the BAC with the current members in place.

23 §402.103. Training Program.

1 (a) (No change.)

2 (b) Training format. The training program is offered online and may be offered on-site [~~in two~~
3 ~~formats on-site and on-line. Individuals may choose an on-site or on-line training course~~].

4 (c) Required training.

5 (1) – (4) (No change.)

6 (5) Non-regular conductors are not subject to training requirements.

7 (d) – (g) (No change.)

8 §402.105 Postmarks, Receipt Marks, Timely Filing of Forms, Reports, Applications and Payment
9 of Fees.

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

12 (1) Common carrier—A person who provides transportation of persons or property to
13 members of the general public for compensation in the normal course of business.

14 (2) Receipt mark—An official mark printed by a common carrier recording the date and
15 place of mailing.

16 (3) United States Postal Service postmark—An official mark printed over a postage stamp
17 by the United States Postal Service, canceling the stamp and recording the date and place of
18 mailing. A postmark does not include dates recorded on postage purchased over the internet, pre-
19 metered stamps, or postage from postage meters unless an actual postmark is generated.

20 (b) General Provisions.

21 (1) All forms, reports, and applications required to be submitted to the commission shall
22 be filed on or before the due date for filing the form, report, or application.

1 (2) All payments required to be remitted to the commission shall be paid on or before the
2 due date for making such payments.

3 (3) If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next
4 business day.

5 (4) If a form, report, application, or payment is postmarked or receipt-marked on or before
6 the due date, it will be considered timely filed.

7 (c) Timely Filing or Payment – Postmark or Receipt Mark.

8 (1) To determine whether a form, report, or application has been timely filed, or a payment
9 timely made, the date of the United States Postal Service postmark or a receipt mark showing when
10 a report or payment was delivered to a common carrier will be prima facie evidence of the date the
11 filing or payment was made, so long as the envelope, or common carrier or contract carrier
12 documentation, reflects a valid commission address.

13 (2) If a report or payment is received through the United States Postal Service and does not
14 have a postmark, or is received through a common carrier and does not have a receipt mark, the
15 date of the filing or payment is presumed, in the absence of evidence supporting the assertion of a
16 different filing date, to be:

17 (A) if received through the United States Postal Service, three days prior to the date
18 on which the form, report, application, or payment is physically received by the commission, as
19 evidenced by commission records; or

20 (B) if received through a common carrier, one day prior to the date on which the
21 report or payment is physically received by the commission, as evidence by commission records.

22 (3) If a licensee penalized for late filing or late payment can provide a postmark or receipt
23 mark complying with the requirements of timely filing and timely paying but, through no fault of

1 the licensee, the form, report, application, or payment arrived after the due date, the filing or
2 payment will be considered timely. The licensee's testimony that the form, report, application, or
3 payment was sent will not be considered as evidence of timely filing or payment.

4 (4) A form, report, application, or payment that is submitted electronically will be
5 considered filed or paid on the date it is received.

6 §402.200. General Restrictions on the Conduct of Bingo.

7 (a) – (h) (No change.)

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

10 (1) (No change.)

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

14 (A) – (B) (No change.)

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

18 (3) – (4) (No change.)

19 (j) – (l) (No change.)

20 (m) Verification.

21 (1) Winning cards. The numbers appearing on the winning card must be verified at the time
22 the winner is determined and prior to prize(s) being awarded in order to ensure [~~insure~~] that the
23 numbers on the card in fact have been drawn from the receptacle.

1 (A) – (B) (No change.)

2 (2) (No change.)

3 (n) – (p) (No change.)

4 (q) A licensed authorized organization may not accept credit cards or any other type of credit
5 payments for the payment of bingo products, regardless of how the transaction is structured.

6 §402.201. Prohibited Bingo Occasions.

7 (a) No licensee shall sell bingo cards for a bingo occasion or commence or continue a bingo
8 occasion unless an active member that has been designated pursuant to the Occupations Code,
9 §2001.411, is physically present at the bingo premises and is actively supervising and directing
10 the sale of bingo cards and the bingo occasion. Any sale of bingo cards, game of bingo, or bingo
11 occasion conducted in violation of this provision is a violation of the Bingo Enabling Act.

12 (b) If a complaint regarding illegal bingo is substantiated, the Commission will issue a cease and
13 desist letter and copy local law enforcement if the location is known.

14 §402.202. Transfer of Funds.

15 (a) (No change.)

16 (b) Notification of the transfer of funds into the bingo account or bingo unit account must be
17 submitted on a form prescribed by the Commission. ~~[To be timely submitted, the notification's~~
18 ~~postmark date, date of delivery for common carrier, date of e-mail, or date of facsimile must clearly~~
19 ~~show a date that is no later than 14 calendar days after the date the funds were transferred.]~~

20 (c) – (i) (No change.)

21 §402.203. Unit Accounting.

22 (a) – (f) (No change.)

23 (g) Unit Transactions.

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

2 (A) a licensed authorized organization may make a sale of bingo cards, [~~pull-tab~~
3 ~~bingo tickets, or~~] a used bingo flash board or blower to a unit;

4 (B) a unit may make a sale of bingo cards, [~~pull-tab bingo tickets, or~~] a used bingo
5 flash board or blower to a licensed authorized organization; or

6 (C) a unit may make a sale of bingo cards, [~~pull-tab bingo tickets, or~~] a used bingo
7 flash board or blower to another unit.

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

11 (3) [~~(2)~~] If a member of a unit is in default, a person may not sell or transfer bingo
12 equipment or supplies to the unit on terms other than immediate payment on delivery.

13 (h) – (l) (No change.)

14 §402.210. House Rules.

15 (a) – (f) (No change.)

16 (g) House rules shall prohibit any person from offering to sell bingo products, or offering to award
17 bingo prizes to persons outside of the licensed location during an occasion via cell phone, laptop
18 computer, electronic tablet, or other telecommunications device.

19 §402.212. Promotional Bingo.

20 (a) – (b) (No change.)

21 (c) Notification.

22 (1) (No change.)

(2) The commission will issue a Recognition of Exemption Notice for Promotional Bingo Games letter to the business filing a notice that complies with the requirements of this section ~~[the prescribed form to conduct the exempt promotional bingo game].~~

(d) (No change.)

§402.300. Pull-Tab Bingo Definitions.

(a) (No change.)

~~[(b) Approval of pull tab bingo tickets.]~~

~~[(1) A pull tab bingo ticket may not be sold in the state of Texas, nor furnished to any person in this state nor used for play in this state until that pull tab bingo ticket has received approval for use within the state of Texas by the Commission. The manufacturer at its own expense must present their pull tab bingo ticket to the Commission for approval.]~~

~~[(2) All pull tab bingo ticket color artwork with a letter of introduction including style of play must be presented to the Commission's Austin, Texas location for review. The manufacturer must submit one complete color positive or hardcopy set of the color artwork for each pull tab bingo ticket and its accompanying flare. The color artwork may be submitted in an electronic format prescribed by the Commission in lieu of the hardcopy submission. The submission must include the payout schedule. The submission must show both sides of a pull tab bingo ticket and must be submitted on an 8 1/2" x 11" size sheet. The color artwork will show the actual size of the ticket and a 200% size of the ticket. The color artwork will clearly identify all winning and non-winning symbols. The color artwork will clearly identify the winnable patterns and combinations.]~~

~~[(3) The color artwork for each individual pull tab bingo ticket must:]~~

1 ~~[(A) display in no less than 26-point diameter circle, an impression of the~~
2 ~~Commission's seal with the words "Texas Lottery Commission" engraved around the margin and~~
3 ~~a five-pointed star in the center;]~~

4 ~~[(B) contain the name of the game in a conspicuous location on the pull-tab bingo~~
5 ~~ticket;]~~

6 ~~[(C) contain the form number assigned by the manufacturer in a conspicuous~~
7 ~~location on the pull-tab bingo ticket;]~~

8 ~~[(D) contain the manufacturer's name or trademark in a conspicuous location on the~~
9 ~~pull-tab bingo ticket;]~~

10 ~~[(E) disclose the prize amount and number of winners for each prize amount, the~~
11 ~~number of individual pull-tab bingo tickets contained in the deal, and the cost per pull-tab bingo~~
12 ~~ticket in a conspicuous location on the pull-tab bingo ticket;]~~

13 ~~[(F) display the serial number where it will be printed in a conspicuous location on~~
14 ~~the pull-tab bingo ticket. The color artwork may display the word "sample" or number "000000"~~
15 ~~in lieu of the serial number;]~~

16 ~~[(G) contain graphic symbols that preserve the integrity of the Commission. The~~
17 ~~Commission will not approve any pull-tab bingo ticket that displays images or text that could be~~
18 ~~interpreted as depicting violent acts, profane language, or provocative, explicit, or derogatory~~
19 ~~images or text, as determined by the Commission. All images or text are subject to final approval~~
20 ~~by the Commission; and]~~

21 ~~[(H) be accompanied with the color artwork of the pull-tab bingo tickets along with~~
22 ~~a list of all other colors that will be printed with the game.]~~

1 ~~[(4) Upon approval of the color artwork, the manufacturer may be notified by the~~
2 ~~Commission to submit a specified number of tickets for testing. The tickets must be submitted for~~
3 ~~testing to the Commission at the manufacturer's own expense. If necessary, the Commission may~~
4 ~~request that additional tickets or a deal be submitted for testing.]~~

5 ~~[(5) If the color artwork is approved and the pull tab bingo tickets pass the Commission's~~
6 ~~testing, the manufacturer will be notified of the approval. This approval only extends to the specific~~
7 ~~pull tab bingo game and the specific form number cited in the Commission's approval letter. If the~~
8 ~~pull tab bingo ticket is modified in any way, with the exception of the serial number, index color,~~
9 ~~or trademark(s), it must be resubmitted to the Commission for approval. Changes to symbols~~
10 ~~require only an artwork approval from the Commission.]~~

11 ~~[(6) The Commission may require resubmission of an approved pull tab bingo ticket at any~~
12 ~~time.]~~

13 ~~[(c) Disapproval of pull tab bingo tickets.]~~

14 ~~[(1) Upon inspection of a pull tab bingo ticket by the Commission, if it is deemed not to~~
15 ~~properly preserve the integrity or security of the Commission including compliance with the art~~
16 ~~work requirements of this rule, the Commission may disapprove a pull tab bingo ticket. All pull~~
17 ~~tab bingo tickets that are disapproved by the Commission will cease to be allowed for sale until~~
18 ~~such time as the manufacturer complies with the written instructions of the Commission, or until~~
19 ~~any discrepancies are resolved. Disapproval of and prohibition to use, purchase, sell or otherwise~~
20 ~~distribute such a pull tab bingo ticket is effective immediately upon notice to the manufacturer by~~
21 ~~the Commission. Upon receipt of such notice, the manufacturer must immediately notify the~~
22 ~~distributor and the distributor must immediately notify affected licensed authorized organizations~~
23 ~~to cease all use, purchase, sale or other distribution of the disapproved pull tab ticket. The~~

1 distributor must provide to the Commission, within 15 days of the Commission's notice to the
2 manufacturer, confirmation that the distributor has notified the licensed authorized organization
3 that the pull tab ticket has been disapproved and sale and use of the disapproved ticket must cease
4 immediately.]

5 [(2) If modified by the manufacturer all disapproved pull tab bingo tickets may be
6 resubmitted to the Commission. No sale of disapproved tickets will be allowed until the
7 resubmitted tickets have passed security testing by the Commission. At any time the manufacturer
8 may withdraw any disapproved pull tab bingo tickets from further consideration.]

9 [(3) The Commission may disapprove a pull tab bingo game at any stage of review, which
10 includes artwork review and security testing, or at any time in the duration of a pull tab bingo
11 game. The disapproval of a pull tab bingo ticket is administratively final.]

12 [(d) Manufacturing requirements.]

13 [(1) Manufacturers of pull tab bingo tickets must manufacture, assemble, and package each
14 deal in such a manner that none of the winning pull tab bingo tickets, nor the location, or
15 approximate location of any winning pull tab bingo ticket can be determined in advance of opening
16 the deal by any means or device. Nor should the winning pull tab bingo tickets, or the location or
17 approximate location of any winning pull tab bingo ticket be determined in advance of opening
18 the deal by manufacture, printing, color variations, assembly, packaging markings, or by use of a
19 light. Each manufacturer is subject to inspection by the Commission, its authorized representative,
20 or designee.]

21 [(2) All winning pull tab bingo tickets as identified on the payout schedule must be
22 randomly distributed and mixed among all other pull tab bingo tickets of the same serial number
23 in a deal regardless of the number of packages, boxes, or other containers in which the deal is

1 packaged. The position of any winning pull tab bingo ticket of the same serial numbers must not
2 demonstrate a pattern within the deal or within a portion of the deal. If a deal of pull tabs is packed
3 in more than one box or container, no individual container may indicate that it includes a winner
4 or contains a disproportionate share of winning or losing tickets.]

5 [(3) Each deal's package, box, or other container shall be sealed at the manufacturer's
6 factory with a seal including a warning to the purchaser that the deal may have been tampered with
7 if the package, box, or other container was received by the purchaser with the seal broken.]

8 [(4) Each deal's serial number shall be clearly and legibly placed on the outside of the deal's
9 package, box or other container or be able to be viewed from the outside of the package, box or
10 container.]

11 [(5) A flare must accompany each deal.]

12 [(6) The information contained in subsection (a)(3)(A), (B), (C), (D), and (F) of this section
13 shall be located on the outside of each deal's sealed package, box, or other container.]

14 [(7) Manufacturers must seal or tape, with tamper resistant seal or tape, every entry point
15 into a package, box or container of pull tab bingo tickets prior to shipment. The seal or tape must
16 be of such construction as to guarantee that should the container be opened or tampered with, such
17 tampering or opening would be easily discernible.]

18 [(8) All high tier winning instant pull tab bingo tickets must utilize a secondary form of
19 winner verification.]

20 [(9) Each individual pull tab bingo ticket must be constructed so that, until opened by a
21 player, it is substantially impossible, in the opinion of the Commission, to determine its concealed
22 letter(s), number(s) or symbol(s).]

1 ~~[(10) No manufacturer may sell or otherwise provide to a distributor and no distributor may~~
2 ~~sell or otherwise provide to a licensed authorized organization of this state or for use in this state~~
3 ~~any pull tab bingo game that does not contain a minimum prize payout of 65% of total receipts if~~
4 ~~completely sold out.]~~

5 ~~[(11) A manufacturer in selling or providing pull tab bingo tickets to a distributor shall seal~~
6 ~~or shrink wrap each package, box, or container of a deal completely in a clear wrapping material.]~~

7 ~~[(12) Pull tab bingo tickets must:]~~

8 ~~[(A) be constructed of cardboard and glued or otherwise securely sealed along all~~
9 ~~four edges of the pull tab bingo ticket and between the individual perforated break open tab(s) on~~
10 ~~the ticket. The glue must be of sufficient strength and type so as to prevent the separation of the~~
11 ~~sides of a pull tab bingo ticket;]~~

12 ~~[(B) have letters, numbers or symbols that are concealed behind perforated window~~
13 ~~tab(s), and allow such letters, numbers or symbols to be revealed only after the player has~~
14 ~~physically removed the perforated window tab(s);]~~

15 ~~[(C) prevent the determination of a winning or losing pull tab bingo ticket by any~~
16 ~~means other than the physical removal of the perforated window tab(s) by the player;]~~

17 ~~[(D) be designed so that the numbers and symbols are a minimum of 2/32 (4/64)~~
18 ~~inch from the dye cut window perforations;]~~

19 ~~[(E) be designed so that the lines or arrows that identify the winning symbol~~
20 ~~combinations will be a minimum of 5/32 inch from the open edge farthest from the hinge of the~~
21 ~~dye cut window perforations;]~~

1 ~~[(F) be designed so that highlighted "pay-code" designations that identify the~~
2 ~~winning symbol combinations will be a minimum of 3.5/32 (7/64) inch from the dye cut window~~
3 ~~perforations;]~~

4 ~~[(G) be designed so that secondary winner protection codes appear in the left~~
5 ~~margin of the ticket, unless the secondary winner protection codes are randomly generated serial~~
6 ~~number-type winner protection codes. Randomly generated serial number-type winner protection~~
7 ~~codes will be randomly located in either the left or middle column of symbols and will be designed~~
8 ~~so that the numbers are a minimum of 3.5/32 (7/64) inch from the dye cut window perforations.~~
9 ~~Any colored line or bar or background used to highlight the winner protection code will be a~~
10 ~~minimum 3.5/32 (7/64) inch from the dye cut window perforations;]~~

11 ~~[(H) have the Commission's seal placed on all pull tab bingo tickets by only a~~
12 ~~licensed manufacturer; and]~~

13 ~~[(I) be designed so that the name of the manufacturer or its distinctive logo, form~~
14 ~~number and serial number unique to the deal, name of the game, price of the ticket, and the payout~~
15 ~~structure remain when the letters, numbers, and symbols are revealed.]~~

16 ~~[(13) Wheels must be submitted to the Commission for approval. As a part of the approval~~
17 ~~process, the following requirements must be demonstrated to the satisfaction of the Commission:]~~

18 ~~[(A) wheels must be able to spin at least four times with reasonable effort;]~~

19 ~~[(B) wheels must only contain the same number or symbols as represented on the~~
20 ~~event ticket; and]~~

21 ~~[(C) locking mechanisms must be installed on wheel(s) to prevent play outside the~~
22 ~~licensed authorized organization's licensed time(s).]~~

1 ~~[(14) A manufacturer must include with each pull-tab bingo ticket deal instructions for how~~
2 ~~the pull-tab bingo ticket can be played in a manner consistent with the Bingo Enabling Act and~~
3 ~~this chapter. The instructions are not required to cover every potential method of playing the pull-~~
4 ~~tab bingo ticket deal.]~~

5 ~~[(e) Sales and redemption.]~~

6 ~~[(1) Instant pull-tab bingo tickets from a single deal may be sold by a licensed~~
7 ~~authorized organization over multiple occasions. A licensed authorized organization may bundle~~
8 ~~pull-tab bingo tickets of different form numbers and may sell those bundled pull-tab tickets. Pull-~~
9 ~~tab tickets may be sold up to one hour before an occasion, but they may only be redeemed during~~
10 ~~an occasion.]~~

11 ~~[(2) Except as provided by paragraph (3) or (4) of this subsection, the event used to~~
12 ~~determine the winner(s) of an event pull-tab bingo ticket deal must occur during the same bingo~~
13 ~~occasion at which the first event pull-tab bingo ticket from that deal was sold. A winning event~~
14 ~~pull-tab ticket must be presented for payment during the same bingo occasion at which the event~~
15 ~~occurred.]~~

16 ~~[(3) For a licensed authorized organization that conducts bingo through a unit~~
17 ~~created and operated under Texas Occupations Code, Subchapter I-1, any organization in the unit~~
18 ~~may sell or redeem event pull-tab tickets from a deal on the premises specified in their bingo~~
19 ~~licenses and during such licensed time on consecutive occasions within one 24-hour period.]~~

20 ~~[(4) For a licensed authorized organization that conducts bingo on consecutive~~
21 ~~occasions within one day, the organization or organizations within a unit may sell or redeem event~~
22 ~~pull-tab tickets from a deal during either occasion and may account for and report all of the pull-~~
23 ~~tab bingo ticket sales and prizes for the occasions as sales and prizes for the final occasion.]~~

1 ~~[(5) Licensed authorized organizations may not display or sell any pull tab bingo~~
2 ~~ticket which has in any manner been marked, defaced, tampered with, or which otherwise may~~
3 ~~deceive the public or affect a person's chances of winning.]~~

4 ~~[(6) A licensed authorized organization may not withdraw a deal of instant pull tab~~
5 ~~bingo tickets from play until the entire deal is completely sold out or all winning instant pull tab~~
6 ~~bingo tickets of \$25.00 prize winnings or more have been redeemed, or the bingo occasion ends.]~~

7 ~~[(7) A licensed authorized organization may not commingle different serial numbers of the~~
8 ~~same form number of pull tab bingo tickets.]~~

9 ~~[(8) A winning instant pull tab bingo ticket must be presented for payment during the~~
10 ~~licensed authorized organization's bingo occasion(s) at which the instant pull tab bingo ticket is~~
11 ~~available for sale.]~~

12 ~~[(9) The licensed authorized organization's gross receipts from the sale of pull tab bingo~~
13 ~~tickets must be included in the reported total gross receipts for the organization, except that an~~
14 ~~organization or organizations within a unit that conducts consecutive bingo occasions during one~~
15 ~~day may account for and report all of the pull tab bingo ticket sales for the occasions as sales for~~
16 ~~the final occasion. An organization or unit that chooses to account for pull tab bingo ticket sales~~
17 ~~for consecutive bingo occasions during one day as sales for the final occasion must also account~~
18 ~~for pull tab bingo ticket prizes awarded over those occasions as prizes awarded for the final~~
19 ~~occasion. Each deal of pull tab bingo tickets must be accounted for in sales, prizes or unsold cards.]~~

20 ~~[(10) A licensed authorized organization may use video confirmation to display the results~~
21 ~~of an event ticket pull tab bingo game(s). Video confirmation will have no effect on the play or~~
22 ~~results of any ticket or game.]~~

1 ~~[(11) A licensed authorized organization must sell the pull tab ticket for the price printed~~
2 ~~on the pull tab ticket.]~~

3 ~~[(12) Immediately upon payment of a winning pull tab ticket of \$25.00 or more, the~~
4 ~~licensed authorized organization must punch a hole with a standard hole punch through or~~
5 ~~otherwise mark or deface that winning pull tab bingo ticket.]~~

6 ~~[(f) Inspection. The Commission, its authorized representative or designee may examine and~~
7 ~~inspect any individual pull tab bingo ticket or deal of pull tab bingo tickets and may pull all~~
8 ~~remaining pull tab bingo tickets in an unsold deal.]~~

9 ~~[(g) Records.]~~

10 ~~[(1) Any licensed authorized organization selling pull tab bingo tickets must maintain a~~
11 ~~purchase log showing the date of the purchase, the form number and corresponding serial number~~
12 ~~of the purchased pull tab bingo tickets.]~~

13 ~~[(2) Licensed authorized organizations must show the sale of pull tab bingo tickets, prizes~~
14 ~~that were paid and the form number and serial number of the pull tab bingo tickets on the occasion~~
15 ~~cash report, except that an organization or organizations within a unit that conducts consecutive~~
16 ~~bingo occasions during one day may account for and report all of the pull tab bingo ticket sales~~
17 ~~for the occasions as sales for the final occasion. An organization or unit that chooses to account~~
18 ~~for pull tab bingo ticket sales for consecutive bingo occasions during one day as sales for the final~~
19 ~~occasion must also account for pull tab bingo ticket prizes awarded over those occasions as prizes~~
20 ~~awarded for the final occasion. The aggregate total sales for the licensed authorized organization~~
21 ~~must be recorded on the cash register or point of sale station.]~~

22 ~~[(3) Licensed authorized organizations must maintain a perpetual inventory of all pull tab~~
23 ~~bingo games. They must account for all sold and unsold pull tab bingo tickets and pull tab bingo~~

1 tickets designated for destruction. The licensed authorized organization will be responsible for the
2 gross receipts and prizes associated with the unaccounted for pull tab bingo tickets.]

3 [(4) As long as a specific pull tab bingo game serial number is in play, all records, reports,
4 receipts and redeemed winning pull tab bingo tickets of \$25.00 or more relating to this specific
5 pull tab bingo game serial number must be retained on the licensed premises for examination by
6 the Commission.]

7 [(5) If a deal is removed from play and marked for destruction then all redeemed and unsold
8 pull tab bingo tickets of the deal must be retained by the licensed authorized organization for a
9 period of four years from the date the deal is taken out of play or until the destruction of the deal
10 is witnessed by the Commission, its authorized representative or designee.]

11 [(6) Manufacturers and distributors must provide the following information on each invoice
12 and other document used in connection with a sale, return, or any type of transfer of pull tab bingo
13 tickets:]

14 [(A) date of sale;]

15 [(B) quantity sold;]

16 [(C) cost per each deal of pull tab bingo game sold;]

17 [(D) form number and serial number of each pull tab bingo game's deal;]

18 [(E) name and address of the purchaser; and]

19 [(F) Texas taxpayer number of the purchaser.]

20 [(7) All licensed organizations must retain these records for a period of four years.]

21 [(h) Style of Play. The following pull tab bingo tickets are authorized by this rule. A last sale
22 feature can be utilized on any pull tab bingo ticket.]

1 ~~[(1) Sign-up Board. A form of pull-tab bingo that is played with a sign-up board. Sign-up~~
2 ~~board tickets that contain a winning numeric, alpha or symbol instantly win the stated prize or~~
3 ~~qualify to advance to the sign-up board. The sign-up board that serves as the game flare is where~~
4 ~~identified winning sign-up board ticket holders may register for the opportunity to win the prize~~
5 ~~indicated on the sign-up board.]~~

6 ~~[(2) Sign-up Board Ticket. A sign-up board ticket is a form of pull-tab bingo played with a~~
7 ~~sign-up board. A single window or multiple windows sign-up board ticket reveals a winning (or~~
8 ~~losing) numeric, alpha or symbol that corresponds with the sign-up board.]~~

9 ~~[(3) Tip Board. A form of pull-tab game where perforated tickets attached to a placard that~~
10 ~~have a predetermined winner under a seal.]~~

11 ~~[(4) Coin Board. A placard that contains prizes consisting of coin(s). Coin boards can have~~
12 ~~a sign-up board as part of its placard.]~~

13 ~~[(5) Coin Board Ticket. A form of pull tab bingo that when opened reveals a winning~~
14 ~~number or symbol that corresponds with the coin board.]~~

15 ~~[(6) Event Ticket. A form of pull tab bingo that utilizes some subsequent action to~~
16 ~~determine the event ticket winner(s), such as a drawing of ball(s), spinning wheel, opening of a~~
17 ~~seal on a flare(s) or any other method approved by the Commission so long as that method has~~
18 ~~designated numbers, letters, or symbols that conform to the randomly selected numbers or~~
19 ~~symbols. When a flare is used to determine winning tickets, the flare shall have the same form~~
20 ~~number and serial number as the event tickets. Pull tab bingo tickets used as event tickets must~~
21 ~~contain more than two instant winners.]~~

22 ~~[(7) Instant Ticket. A form of pull-tab bingo that has pre-determined winners and losers~~
23 ~~and has immediate recognition of the winners and losers.]~~

1 ~~[(8) Multiple Part Event or Multiple Part Instant Ticket. A pull-tab bingo ticket that is~~
2 ~~broken apart and sold in sections by a licensed authorized organization. Each section of the ticket~~
3 ~~consists of a separate deal with its own corresponding payout structure, form number, serial~~
4 ~~number, and winner verification.]~~

5 ~~[(9) Jackpot Pull Tab Game. A style of pull-tab game that has a stated prize and a chance~~
6 ~~at a jackpot prize(s). A portion of the stated payout is contributed to the jackpot prize(s). Each~~
7 ~~jackpot is continuous for the same form number and continues until a jackpot prize(s) is awarded;~~
8 ~~provided that, any jackpot prize(s) must not exceed the statutory limits.]~~

9 ~~[(10) Video Confirmation shall be subject to Commission approval.]~~

10 ~~[\$402.301. Bingo Card/Paper.]~~

11 §402.301. Approval of Pull-Tab Bingo Tickets.

12 (a) Approval of Pull-Tab Bingo Tickets.

13 (1) A pull-tab bingo ticket may not be sold in the state of Texas, nor furnished to any person
14 in this state nor used for play in this state until that pull-tab bingo ticket has received approval for
15 use within the state of Texas by the Commission. The manufacturer at its own expense must
16 present its pull-tab bingo ticket to the Commission for approval.

17 (2) All pull-tab bingo ticket color artwork with a letter of introduction including style of
18 play must be presented to the Commission's Austin, Texas location for review. The manufacturer
19 must submit one complete color positive or hardcopy set of the color artwork for each pull-tab
20 bingo ticket and its accompanying flare. The color artwork may be submitted in an electronic
21 format prescribed by the Commission in lieu of the hardcopy submission. The submission must
22 include the payout schedule. The submission must show both sides of a pull-tab bingo ticket and
23 must be submitted on an 8 1/2" x 11" size sheet. The color artwork will show the actual size of the

1 ticket and a 200% size of the ticket. The color artwork will clearly identify all winning and non-
2 winning symbols. The color artwork will clearly identify the winnable patterns and combinations.

3 (3) The color artwork for each individual pull-tab bingo ticket must:

4 (A) display in no less than 26-point diameter circle, an impression of the
5 Commission's seal with the words "Texas Lottery Commission" engraved around the margin and
6 a five-pointed star in the center;

7 (B) contain the name of the game in a conspicuous location on the pull-tab bingo
8 ticket;

9 (C) contain the form number assigned by the manufacturer in a conspicuous
10 location on the pull-tab bingo ticket;

11 (D) contain the manufacturer's name or trademark in a conspicuous location on the
12 pull-tab bingo ticket;

13 (E) disclose the prize amount and number of winners for each prize amount, the
14 number of individual pull-tab bingo tickets contained in the deal, and the cost per pull-tab bingo
15 ticket in a conspicuous location on the pull-tab bingo ticket;

16 (F) display the serial number where it will be printed in a conspicuous location on
17 the pull-tab bingo ticket. The color artwork may display the word "sample" or number "000000"
18 in lieu of the serial number;

19 (G) contain graphic symbols that preserve the integrity of the Commission. The
20 Commission will not approve any pull-tab bingo ticket that displays images or text that could be
21 interpreted as depicting violent acts, profane language, or provocative, explicit, or derogatory
22 images or text, as determined by the Commission. All images or text are subject to final approval
23 by the Commission; and

1 (H) be accompanied with the color artwork of the pull-tab bingo tickets along with
2 a list of all other colors that will be printed with the game.

3 (4) Upon approval of the color artwork, the manufacturer may be notified by the
4 Commission to submit a specified number of tickets for testing. The tickets must be submitted for
5 testing to the Commission at the manufacturer's own expense. If necessary, the Commission may
6 request that additional tickets or a deal be submitted for testing.

7 (5) If the color artwork is approved and the pull-tab bingo tickets pass the Commission's
8 testing, the manufacturer will be notified of the approval. This approval only extends to the specific
9 pull-tab bingo game and the specific form number cited in the Commission's approval letter. If the
10 pull-tab bingo ticket is modified in any way, with the exception of the serial number, index color,
11 or trademark(s), it must be resubmitted to the Commission for approval. Changes to symbols
12 require only an artwork approval from the Commission.

13 (6) The Commission may require resubmission of an approved pull-tab bingo ticket at any
14 time.

15 (b) Disapproval of Pull-Tab Bingo Tickets.

16 (1) Upon inspection of a pull-tab bingo ticket by the Commission, if it is deemed not to
17 properly preserve the integrity or security of the Commission including compliance with the art
18 work requirements of this rule, the Commission may disapprove a pull-tab bingo ticket. All pull-
19 tab bingo tickets that are disapproved by the Commission will cease to be allowed for sale until
20 such time as the manufacturer complies with the written instructions of the Commission, or until
21 any discrepancies are resolved. Disapproval of and prohibition to use, purchase, sell or otherwise
22 distribute such a pull-tab bingo ticket is effective immediately upon notice to the manufacturer by
23 the Commission. Upon receipt of such notice, the manufacturer must immediately notify the

distributor and the distributor must immediately notify affected licensed authorized organizations to cease all use, purchase, sale or other distribution of the disapproved pull-tab ticket. The distributor must provide to the Commission, within 15 days of the Commission's notice to the manufacturer, confirmation that the distributor has notified the licensed authorized organization that the pull-tab ticket has been disapproved and sale and use of the disapproved ticket must cease immediately.

(2) If modified by the manufacturer all disapproved pull-tab bingo tickets may be resubmitted to the Commission. No sale of disapproved tickets will be allowed until the resubmitted tickets have passed security testing by the Commission. At any time the manufacturer may withdraw any disapproved pull-tab bingo tickets from further consideration.

(3) The Commission may disapprove a pull-tab bingo game at any stage of review, which includes artwork review and security testing, or at any time in the duration of a pull-tab bingo game. The disapproval of a pull-tab bingo ticket is administratively final.

§402.302. Pull-Tab Bingo Manufacturing Requirements.

(1) Manufacturers of pull-tab bingo tickets must manufacture, assemble, and package each deal in such a manner that none of the winning pull-tab bingo tickets, nor the location, or approximate location of any winning pull-tab bingo ticket can be determined in advance of opening the deal by any means or device. Nor should the winning pull-tab bingo tickets, or the location or approximate location of any winning pull-tab bingo ticket be determined in advance of opening the deal by manufacture, printing, color variations, assembly, packaging markings, or by use of a light. Each manufacturer is subject to inspection by the Commission, its authorized representative, or designee.

1 (2) All winning pull-tab bingo tickets as identified on the payout schedule must be
2 randomly distributed and mixed among all other pull-tab bingo tickets of the same serial number
3 in a deal regardless of the number of packages, boxes, or other containers in which the deal is
4 packaged. The position of any winning pull-tab bingo ticket of the same serial numbers must not
5 demonstrate a pattern within the deal or within a portion of the deal. If a deal of pull-tabs is packed
6 in more than one box or container, no individual container may indicate that it includes a winner
7 or contains a disproportionate share of winning or losing tickets.

8 (3) Each deal's package, box, or other container shall be sealed at the manufacturer's
9 factory with a seal including a warning to the purchaser that the deal may have been tampered with
10 if the package, box, or other container was received by the purchaser with the seal broken.

11 (4) Each deal's serial number shall be clearly and legibly placed on the outside of the deal's
12 package, box or other container or be able to be viewed from the outside of the package, box or
13 container.

14 (5) A flare must accompany each deal.

15 (6) The information contained in subsection (a)(3)(A), (B), (C), (D), and (F) of this section
16 shall be located on the outside of each deal's sealed package, box, or other container.

17 (7) Manufacturers must seal or tape, with tamper resistant seal or tape, every entry point
18 into a package, box or container of pull-tab bingo tickets prior to shipment. The seal or tape must
19 be of such construction as to guarantee that should the container be opened or tampered with, such
20 tampering or opening would be easily discernible.

21 (8) All high tier winning instant pull-tab bingo tickets must utilize a secondary form of
22 winner verification.

1 (9) Each individual pull-tab bingo ticket must be constructed so that, until opened by a
2 player, it is substantially impossible, in the opinion of the Commission, to determine its concealed
3 letter(s), number(s) or symbol(s).

4 (10) No manufacturer may sell or otherwise provide to a distributor and no distributor may
5 sell or otherwise provide to a licensed authorized organization of this state or for use in this state
6 any pull-tab bingo game that does not contain a minimum prize payout of 65% of total receipts if
7 completely sold out.

8 (11) A manufacturer in selling or providing pull-tab bingo tickets to a distributor shall seal
9 or shrink-wrap each package, box, or container of a deal completely in a clear wrapping material.

10 (12) Pull-tab bingo tickets must:

11 (A) be constructed of cardboard and glued or otherwise securely sealed along all
12 four edges of the pull-tab bingo ticket and between the individual perforated break-open tab(s) on
13 the ticket. The glue must be of sufficient strength and type so as to prevent the separation of the
14 sides of a pull-tab bingo ticket;

15 (B) have letters, numbers or symbols that are concealed behind perforated window
16 tab(s), and allow such letters, numbers or symbols to be revealed only after the player has
17 physically removed the perforated window tab(s);

18 (C) prevent the determination of a winning or losing pull-tab bingo ticket by any
19 means other than the physical removal of the perforated window tab(s) by the player;

20 (D) be designed so that the numbers and symbols are a minimum of 2/32 (4/64)
21 inch from the dye-cut window perforations;

1 (E) be designed so that the lines or arrows that identify the winning symbol
2 combinations will be a minimum of 5/32 inch from the open edge farthest from the hinge of the
3 dye-cut window perforations;

4 (F) be designed so that highlighted "pay-code" designations that identify the
5 winning symbol combinations will be a minimum of 3.5/32 (7/64) inch from the dye-cut window
6 perforations;

7 (G) be designed so that secondary winner protection codes appear in the left margin
8 of the ticket, unless the secondary winner protection codes are randomly generated serial number-
9 type winner protection codes. Randomly generated serial number-type winner protection codes
10 will be randomly located in either the left or middle column of symbols and will be designed so
11 that the numbers are a minimum of 3.5/32 (7/64) inch from the dye-cut window perforations. Any
12 colored line or bar or background used to highlight the winner protection code will be a minimum
13 3.5/32 (7/64) inch from the dye-cut window perforations;

14 (H) have the Commission's seal placed on all pull-tab bingo tickets by only a
15 licensed manufacturer; and

16 (I) be designed so that the name of the manufacturer or its distinctive logo, form
17 number and serial number unique to the deal, name of the game, price of the ticket, and the payout
18 structure remain when the letters, numbers, and symbols are revealed.

19 (13) Wheels must be submitted to the Commission for approval. As a part of the approval
20 process, the following requirements must be demonstrated to the satisfaction of the Commission:

21 (A) wheels must be able to spin at least four times with reasonable effort;

22 (B) wheels must only contain the same number or symbols as represented on the
23 event ticket; and

1 (C) locking mechanisms must be installed on wheel(s) to prevent play outside the
2 licensed authorized organization's licensed time(s).

3 (14) A manufacturer must include with each pull-tab bingo ticket deal instructions for how
4 the pull-tab bingo ticket can be played in a manner consistent with the Bingo Enabling Act and
5 this chapter. The instructions are not required to cover every potential method of playing the pull-
6 tab bingo ticket deal.

7 [\$402.303. Pull-tab or Instant Bingo Dispensers.]

8 §402.303. Pull-Tab Bingo Sales and Redemption.

9 (1) Instant pull-tab bingo tickets from a single deal may be sold by a licensed authorized
10 organization over multiple occasions. A licensed authorized organization may bundle pull-tab
11 bingo tickets of different form numbers and may sell those bundled pull-tab tickets. Pull-tab tickets
12 may be sold up to one hour before an occasion, but they may only be redeemed during an occasion.

13 (2) Except as provided by paragraph (3) or (4) of this subsection, the event used to
14 determine the winner(s) of an event pull-tab bingo ticket deal must occur during the same bingo
15 occasion at which the first event pull-tab bingo ticket from that deal was sold. A winning event
16 pull-tab ticket must be presented for payment during the same bingo occasion at which the event
17 occurred.

18 (3) For a licensed authorized organization that conducts bingo through a unit created and
19 operated under Texas Occupations Code, Subchapter I-1, any organization in the unit may sell or
20 redeem event pull-tab tickets from a deal on the premises specified in its bingo license and during
21 such licensed time on consecutive occasions within one 24-hour period.

22 (4) For a licensed authorized organization that conducts bingo on consecutive occasions
23 within one day, the organization or organizations within a unit may sell or redeem event pull-tab

1 tickets from a deal during either occasion and may account for and report all of the pull-tab bingo
2 ticket sales and prizes for the occasions as sales and prizes for the final occasion.

3 (5) Licensed authorized organizations may not display or sell any pull-tab bingo ticket
4 which has in any manner been marked, defaced, tampered with, or which otherwise may deceive
5 the public or affect a person's chances of winning.

6 (6) A licensed authorized organization may not withdraw a deal of instant pull-tab bingo
7 tickets from play until the entire deal is completely sold out or all winning instant pull-tab bingo
8 tickets of \$25.00 prize winnings or more have been redeemed, or the bingo occasion ends.

9 (7) A licensed authorized organization may not commingle different serial numbers of the
10 same form number of pull-tab bingo tickets.

11 (8) A winning instant pull-tab bingo ticket must be presented for payment during the
12 licensed authorized organization's bingo occasion(s) at which the instant pull-tab bingo ticket is
13 available for sale.

14 (9) The licensed authorized organization's gross receipts from the sale of pull-tab bingo
15 tickets must be included in the reported total gross receipts for the organization, except that an
16 organization or organizations within a unit that conducts consecutive bingo occasions during one
17 day may account for and report all of the pull-tab bingo ticket sales for the occasions as sales for
18 the final occasion. An organization or unit that chooses to account for pull-tab bingo ticket sales
19 for consecutive bingo occasions during one day as sales for the final occasion must also account
20 for pull-tab bingo ticket prizes awarded over those occasions as prizes awarded for the final
21 occasion. Each deal of pull-tab bingo tickets must be accounted for in sales, prizes or unsold cards.

1 (10) A licensed authorized organization may use video confirmation to display the results
2 of an event ticket pull-tab bingo game(s). Video confirmation will have no effect on the play or
3 results of any ticket or game.

4 (11) A licensed authorized organization must sell the pull-tab ticket for the price printed
5 on the pull-tab ticket.

6 (12) Immediately upon payment of a winning pull-tab ticket of \$25.00 or more, the licensed
7 authorized organization must punch a hole with a standard hole punch through or otherwise mark
8 or deface that winning pull-tab bingo ticket.

9 §402.304. Pull-Tab Bingo Record Keeping.

10 (a) Inspection. The Commission, its authorized representative or designee may examine and
11 inspect any individual pull-tab bingo ticket or deal of pull-tab bingo tickets and may pull all
12 remaining pull-tab bingo tickets in an unsold deal.

13 (b) Records.

14 (1) Any licensed authorized organization selling pull-tab bingo tickets must maintain a
15 purchase log showing the date of the purchase, the form number and corresponding serial number
16 of the purchased pull-tab bingo tickets.

17 (2) Licensed authorized organizations must show the sale of pull-tab bingo tickets, prizes
18 that were paid and the form number and serial number of the pull-tab bingo tickets on the occasion
19 cash report, except that an organization or organizations within a unit that conducts consecutive
20 bingo occasions during one day may account for and report all of the pull-tab bingo ticket sales
21 for the occasions as sales for the final occasion. An organization or unit that chooses to account
22 for pull-tab bingo ticket sales for consecutive bingo occasions during one day as sales for the final
23 occasion must also account for pull-tab bingo ticket prizes awarded over those occasions as prizes

1 awarded for the final occasion. The aggregate total sales for the licensed authorized organization
2 must be recorded on the cash register or point of sale station.

3 (3) Licensed authorized organizations must maintain a perpetual inventory of all pull-tab
4 bingo games. They must account for all sold and unsold pull-tab bingo tickets and pull-tab bingo
5 tickets designated for destruction. The licensed authorized organization will be responsible for the
6 gross receipts and prizes associated with the unaccounted for pull-tab bingo tickets.

7 (4) As long as a specific pull-tab bingo game serial number is in play, all records, reports,
8 receipts and redeemed winning pull-tab bingo tickets of \$25.00 or more relating to this specific
9 pull-tab bingo game serial number must be retained on the licensed premises for examination by
10 the Commission.

11 (5) If a deal is removed from play and marked for destruction then all redeemed and unsold
12 pull-tab bingo tickets of the deal must be retained by the licensed authorized organization for a
13 period of four years from the date the deal is taken out of play or until the destruction of the deal
14 is witnessed by the Commission, its authorized representative or designee.

15 (6) Manufacturers and distributors must provide the following information on each invoice
16 and other document used in connection with a sale, return, or any type of transfer of pull-tab bingo
17 tickets:

18 (A) date of sale;

19 (B) quantity sold;

20 (C) cost per each deal of pull-tab bingo game sold;

21 (D) form number and serial number of each pull-tab bingo game's deal;

22 (E) name and address of the purchaser; and

23 (F) Texas taxpayer number of the purchaser.

1 (7) All licensed organizations must retain these records for a period of four years.

2 §402.305. Pull-Tab Bingo Styles of Play.

3 The following pull-tab bingo tickets are authorized by this rule. A last sale feature can be utilized
4 on any pull-tab bingo ticket.

5 (1) Sign-up Board. A form of pull-tab bingo that is played with a sign-up board. Sign-up
6 board tickets that contain a winning numeric, alpha or symbol instantly win the stated prize or
7 qualify to advance to the sign-up board. The sign-up board that serves as the game flare is where
8 identified winning sign-up board ticket holders may register for the opportunity to win the prize
9 indicated on the sign-up board.

10 (2) Sign-up Board Ticket. A sign up board ticket is a form of pull-tab bingo played with a
11 sign-up board. A single window or multiple windows sign-up board ticket reveals a winning (or
12 losing) numeric, alpha or symbol that corresponds with the sign-up board.

13 (3) Tip Board. A form of pull-tab game where perforated tickets attached to a placard that
14 have a predetermined winner under a seal.

15 (4) Coin Board. A placard that contains prizes consisting of coin(s). Coin boards can have
16 a sign-up board as part of its placard.

17 (5) Coin Board Ticket. A form of pull-tab bingo that when opened reveals a winning
18 number or symbol that corresponds with the coin board.

19 (6) Event Ticket. A form of pull-tab bingo that utilizes some subsequent action to determine
20 the event ticket winner(s), such as a drawing of ball(s), spinning wheel, opening of a seal on a
21 flare(s) or any other method approved by the Commission so long as that method has designated
22 numbers, letters, or symbols that conform to the randomly selected numbers or symbols. When a
23 flare is used to determine winning tickets, the flare shall have the same form number and serial

number as the event tickets. Pull-tab bingo tickets used as event tickets must contain more than two instant winners.

(7) Instant Ticket. A form of pull-tab bingo that has pre-determined winners and losers and has immediate recognition of the winners and losers.

(8) Multiple Part Event or Multiple Part Instant Ticket. A pull-tab bingo ticket that is broken apart and sold in sections by a licensed authorized organization. Each section of the ticket consists of a separate deal with its own corresponding payout structure, form number, serial number, and winner verification.

(9) Jackpot Pull-Tab Game. A style of pull-tab game that has a stated prize and a chance at a jackpot prize(s). A portion of the stated payout is contributed to the jackpot prize(s). Each jackpot is continuous for the same form number and continues until a jackpot prize(s) is awarded; provided that, any jackpot prize(s) must not exceed the statutory limits.

(10) Video Confirmation shall be subject to Commission approval.

§402.306. Bingo Card/Paper Definitions.

The following words and terms, shall have the following meaning unless the context clearly indicates otherwise:

(1) Bingo card/paper. A hard card, disposable bingo card/paper, shutter card, or any other bingo card/paper approved by the Commission.

(2) Bingo hard card. A device made of cardboard, plastic or other suitable material that is intended for repeated use of the bingo card at multiple bingo occasions.

(3) Bonus number(s). A number or numbers on any type of bingo card/paper which when called could result in an additional prize awarded. Bonus number(s) must be announced prior to the start of a bingo game.

1 (4) Braille bingo card. A device that contains raised symbols that reflect numbers on a
2 reusable card.

3 (5) Break-open bingo. A type of disposable bingo card/paper that is sealed, that conceals
4 the bingo card/paper face, that may be folded, and where the bingo game or a portion of the bingo
5 game may have been pre-called.

6 (6) Case. A receptacle that contains bingo card/paper products.

7 (7) Cut. Indicates the direction in which a sheet of faces will be cut from the master sheet
8 of disposable bingo card/paper. A cut can be square, horizontal or vertical. The sheet of disposable
9 bingo card/paper printed by the manufacturer of a specific group of disposable bingo card/paper
10 that can be subdivided vertically or horizontally into sheets.

11 (8) Defective. Bingo card/paper missing specifications as originally approved by the
12 Commission.

13 (9) Disposable bingo card/paper. A sheet or sheets of paper that is designed or intended for
14 use at a single bingo occasion.

15 (10) Double numbers. Bingo card/paper with two numbers in each of the 24 spaces on each
16 face.

17 (11) Face. A specific configuration of numbers, symbols, or blank squares imprinted on
18 paper, cardboard, or other materials, and designed to be used to conduct bingo games. The bingo
19 card/paper normally consists of five rows of five columns that may bear 24 pre-printed numbers
20 between 1 and 75, symbols, or blank squares, except for the center square which is a free space
21 and have the letters B-I-N-G-O appear in order above the five columns.

22 (12) Free space. The center square on the face of a bingo card/paper.

1 (13) Loteria. A type of bingo that utilizes symbols or pictures. Normally playing cards are
2 utilized instead of numbered balls.

3 (14) Multi-part card/paper. A type of disposable bingo card/paper where the player selects
4 the numbers. The player retains one part of the disposable bingo card/paper while the licensee for
5 the purpose of verification retains the other part of the disposable bingo card/paper.

6 (15) On. The number of faces imprinted on a sheet of disposal bingo card/paper after it is
7 cut. The number of bingo card/paper faces normally precedes this term.

8 (16) Pre-marked. A bingo card/paper where one or more of the numbers are already marked
9 or identified prior to the start of the game.

10 (17) Product line. A specific type of bingo card/paper, identifiable by features or
11 characteristics that are unique when compared to other bingo card/paper manufactured by the
12 manufacturer.

13 (18) Serial number. The unique identification number assigned by the manufacturer to a
14 specific product line of bingo card/paper.

15 (19) Series number. The specific number assigned by the manufacturer that identifies the
16 unique configuration of numbers that appears on an individual bingo card/paper face.

17 (20) Sheet. A single piece of paper that contains one or more disposable bingo card/paper
18 faces.

19 (21) Shutter card. A device made of cardboard or other suitable material with plastic
20 "shutters" that cover a number to simulate the number being daubed.

21 (22) UP. The number of sheets of disposable bingo paper glued together by the
22 manufacturer. The number of sheets normally precedes this term.

1 (23) UPS pads. A bound collection of disposable bingo card/paper where each sheet in the
2 collection is used to play a separate bingo game during the occasion.

3 §402.307. Bingo Card/Paper Approval.

4 (a) Approval of Bingo Card/Paper.

5 (1) Bingo card/paper shall not be sold in the state of Texas, nor furnished to any person in
6 this state, nor used for play in this state until the manufacturer of the bingo card/paper has received
7 written approval for use within the state of Texas by the Commission. The manufacturer at its own
8 expense must present the bingo card/paper to the Commission for approval.

9 (2) A letter of introduction including the style of play must be presented to Commission
10 headquarters for review. The manufacturer must submit one complete color positive or sample for
11 each type of bingo card/paper. The color positive or sample may be submitted in an electronic
12 format prescribed by the Commission in lieu of the hardcopy submission. The color positive or
13 sample bingo card/paper must:

14 (A) bear on the face of every disposable bingo card/paper used, sold, or furnished
15 in this state an impression of the State of Texas and a star of five points encircled by olive and live
16 oak branches and the words "Texas Lottery Commission," in accordance with detailed
17 specification, available on request from the Commission. The face of each disposable bingo
18 card/paper must also have printed on it in a conspicuous location the name of the manufacturer or
19 trademark, which has been filed with the Commission; and

20 (B) contain the serial and series numbers assigned by the manufacturer on the face
21 of each of the bingo card/paper, except in the case of Break-open bingo, which may contain the
22 serial number assigned by the manufacturer on the outside so as not to be concealed.

1 (3) The bingo card/paper may contain numbers or symbols so long as the numbers or
2 symbols preserve the integrity of the Commission. The Commission will not approve any bingo
3 paper that displays images or text that could be interpreted as depicting violent acts, profane
4 language, or provocative, explicit, or derogatory images or text, as determined by the Commission.
5 All images or text are subject to final approval by the Commission.

6 (4) If the bingo card/paper is approved the manufacturer will be notified of the approval.
7 This approval only extends to the specific bingo card/paper submitted and will be cited in the
8 Commission's approval letter. If the bingo card/paper is modified in any way, with the exception
9 of the color, series number, and/or serial number it must be resubmitted to the Commission for
10 approval.

11 (5) The Commission may require resubmission of an approved bingo card/paper at any
12 time.

13 (6) If an approved bingo card/paper is discontinued or no longer manufactured for sale in
14 Texas, the manufacturer must provide the Commission written notification within ten days of
15 discontinuance or cessation of manufacturing for sale in Texas. The written notification may be
16 sent to the Commission via facsimile, e-mail, delivery services or postal delivery.

17 (b) Disapproval of Bingo Card/Paper.

18 (1) After inspection of the bingo card/paper by the Commission, if the bingo card/paper
19 does not comply with the provisions of this rule and/or the Bingo Enabling Act, the Commission
20 shall disapprove the bingo card/paper and shall notify the manufacturer of the disapproval. Any
21 bingo card/paper that is disapproved by the Commission may not be displayed, purchased or sold
22 in the state of Texas. Disapproval of and prohibition to use, purchase, sell or otherwise distribute,
23 is effective immediately upon notice to the manufacturer by the Commission.

1 (2) A manufacturer shall not sell, or furnish unapproved bingo card/paper to anyone,
2 including another manufacturer or distributor for use in this state. A manufacturer shall not sell, or
3 furnish bingo card/paper not bearing the seal of the Commission on the face of the bingo card/paper
4 and the manufacturer's name or trademark to distributors for use in this state. This requirement
5 also applies to any manufacturer who assembles bingo card/paper for sale in Texas.

6 (3) A licensed authorized organization shall not purchase, obtain, or use disapproved bingo
7 card/paper in this state.

8 (4) If the manufacturer modifies the bingo card/paper that was previously disapproved, the
9 manufacturer may resubmit the modified bingo card/paper for Commission approval. At any time
10 the manufacturer may withdraw any disapproved bingo card/paper from further consideration.

11 (5) The Commission may disapprove the bingo card/paper at any stage of review. The
12 disapproval of the bingo card/paper is administratively final.

13 §402.308. Bingo Card/Paper Manufacturing Requirements.

14 (1) Bingo card/paper must comply with the following construction standards.

15 (A) The disposable paper used shall be of sufficient weight and quality to allow for
16 clearly readable numbers and to prevent ink from spreading or bleeding through an UPS pad
17 thereby obscuring other numbers or bingo card/paper;

18 (B) series numbers may be displayed in the center square of the bingo card/paper;

19 (C) numbers printed on the bingo card/paper shall be randomly assigned; and

20 (D) a manufacturer shall not repeat a serial number on or in the same product line,
21 series, and color of bingo card/paper within one year of the last printing of that serial number.

22 (2) UPS pad must comply with the following construction standards.

23 (A) Bingo card/paper in UPS pads must only be glued and not stapled; and

1 (B) the disposable bingo card/paper assembled into UPS pads shall not be
2 separated, with the exception of the multi-part disposable bingo card/paper, nor shall single sheets
3 already manufactured be cut for sale for special bingo games.

4 (3) Inspection. The Commission, its authorized representative or designee may examine
5 and inspect any individual bingo card/paper or series of bingo card/paper and may pull all
6 remaining bingo card/paper in the inventory if the Commission, its authorized representative or
7 designee determines that the bingo card/paper is defective or has not been approved.

8 (4) Packaging.

9 (A) Bingo card/paper shall be sealed in shrink wrap and be designed so that if the
10 shrink wrapped bingo card/paper, package, or case was opened or tampered with, it would be easily
11 noticed.

12 (B) Barcodes may be included on each bingo card/paper, package, or case provided
13 the barcode contains information required in subparagraph (C).

14 (C) A label shall be placed on, or be visible from, the exterior of each package or
15 case of bingo card/paper listing the following information:

16 (i) Type of product;

17 (ii) Series number of the UPS pads and/or sheet(s);

18 (iii) Serial numbers of the top sheet of the UPS pads and/or sheet(s);

19 (iv) Number of package or cases; and

20 (v) Cut and color of paper.

21 (D) A packing slip shall be included with the package or case listing the following
22 information:

23 (i) Type of product;

1 (ii) Number of UPS pads or sheets;

2 (iii) Series number of the UPS pads and/or sheet(s);

3 (iv) Serial numbers of the top sheet of the UPS pads and/or sheet(s);

4 (v) Number of package or cases; and

5 (vi) Cut and color of paper.

6 §402.309. Bingo Card/Paper Record Keeping.

7 (1) Manufacturers and distributors must provide the following information on each invoice
8 and other documents used in connection with a sale, return or any other type of transfer of bingo
9 card/paper:

10 (A) Date of sale;

11 (B) Quantity sold and number of faces per sheet;

12 (C) Serial and series number of each bingo card/paper sold;

13 (D) Name and address of the purchaser; and

14 (E) Texas taxpayer identification number of the purchaser.

15 (2) Manufacturers and distributors must maintain standard accounting records that include
16 but are not limited to:

17 (A) Sales invoice;

18 (B) Credit memos;

19 (C) Sales journal; and

20 (D) Purchase records.

21 (3) Licensed authorized organization.

22 (A) A licensed authorized organization must maintain a disposable bingo
23 card/paper sales summary showing the organization's name, taxpayer number, distributor's

taxpayer number, invoice date, distributor's name, invoice number, serial number, and series number. Also, the disposable bingo card/paper sales summary must include the number of faces (ON), number of sheets (UP), and color of borders.

(B) A licensed authorized organization must show the date of the occasion on which the disposable bingo card/paper was sold, a beginning inventory, along with the number of disposable bingo card/paper sold.

(C) A licensed authorized organization must maintain a perpetual inventory of all disposable bingo card/paper.

(D) Disposable bingo card/paper marked for destruction cannot be destroyed until witnessed by the Commission, its authorized representative or designee. All destruction documentation must be retained by the licensed organization for a period of four years from the date of destruction.

(4) All records identified in this subsection must be retained for a period of four years from creation of the records.

§402.310. Bingo Card/Paper Styles of Play.

(a) Braille Cards. Braille cards are bingo equipment as defined by Occupations Code, §2001.002(5) and must be approved by the Commission. Players may not use their own personal braille cards.

(b) Loteria. The symbols or pictures may be identified with Spanish subtitles and each of the 54 cards contains a separate and distinct symbol or picture. The 54 individual cards may be shuffled by the caller and then randomly drawn and announced to the players. The player uses a loteria card, which contains a minimum of sixteen squares and each square has one of the 54 symbols or pictures. There are no duplicate symbols or pictures on the loteria card. Loteria cards are bingo

1 equipment as defined by Occupations Code, §2001.002(5) and must be approved by the
2 Commission.

3 (c) Style of Play and Minimum Standards of Play. Prizes awarded on any style of play must be in
4 accordance with Occupations Code, §2001.420.

5 (1) Player pick ems. A game of bingo where a player selects his/her own numbers on a
6 multi-part duplicated disposable bingo card/paper. One copy is retained by the player and used as
7 a bingo card/paper while the other copy is provided to the organization for verification purposes.

8 (2) Progressive bingo. A game of bingo that either the established prize amount or number
9 of bingo balls and/or objects may be increased from one session to the next scheduled session. If
10 no player completes the required pattern within the specified number of bingo balls or objects
11 drawn, the established prize amount may be increased but shall not exceed the prize amount
12 authorized by the Bingo Enabling Act.

13 (3) Warm-up or early bird. A bingo game conducted at the beginning of a bingo occasion
14 during the authorized organization's license times, in which prizes are awarded based upon a
15 percentage of the sum of money received from the sale of the warm-up/early bird bingo card/paper.

16 (4) Shaded/Images bingo. Bingo card/paper that incorporates images where one or more
17 squares on a bingo card/paper face are shaded. Each shaded image conforms to a pattern that must
18 be achieved to win a bingo game or each shaded square may be used as a free space or a pattern
19 for a bingo game.

20 (5) Bingo bonus number(s). A bingo game that has additional identified number(s) in
21 excess of the 24 numbers that appear on the bingo card/paper face that, when called, could result
22 in an additional prize awarded. The first player who matches the numbers shown on the bonus
23 number(s) line within the specified number(s) called wins the additional prize.

1 (6) Multi level or multi tier. Bingo card/paper that has one or more additional lines of
2 number(s) aside from the normal five lines that when played could result in an additional prize.
3 Therefore, a multi level or multi tiered game could be played on this bingo card/paper that provides
4 more opportunities to win.

5 (7) Multi color bingo. A bingo game played on a bingo card/paper with a different color
6 for each bingo card/paper face. Prizes are awarded based on the color on which the bingo
7 card/paper face that had the bingo.

8 (8) Pre-called. A game of bingo where the numbers for the game have been pre-called and
9 identified prior to the start of the game.

10 (9) Double number. A bingo game played on a bingo card/paper that has two numbers per
11 square. A player has two chances to daub each square.

12 (10) Break-open bingo. A type of bingo game played on sealed disposable bingo
13 card/paper, where the bingo card/paper face is concealed, that may be folded, and where the bingo
14 game has been pre-called. The bingo game may be pre-called prior to the authorized organization's
15 license time.

16 (11) Regular bingo. A bingo game played on the standard card face of five rows by five
17 columns with 24 pre-printed numbers between 1 and 75, symbols, or blank squares and a free
18 space square where the winner is determined by a predetermined pattern.

19 (d) Promotional Bingo. This rule shall not apply to bingo card/paper furnished for use in a
20 promotional bingo game conducted in accordance the Occupations Code, §2001.551. The
21 card/paper may not contain the Commission seal.

1 (e) Exempt Organization. This rule shall not apply to bingo card/paper furnished for use by an
2 organization receiving an exemption from bingo licensing in accordance with the Occupations
3 Code, §§2001.551(b)(3)(A) and (B). The bingo card/paper may not contain the Commission seal.

4 (f) House Rules. A licensed authorized organization playing a style of bingo other than regular
5 bingo must develop house rules on how the game is played. The house rules must be made
6 available to the public.

7 (g) Card-Minding Devices. This rule shall be applicable only to bingo card/paper made of paper,
8 cardboard or similar material approved by the Commission and shall not be applicable to the
9 manufacture or use of card-minding devices addressed in §§402.321 - 402.328 of this chapter, with
10 the exception of style of play as defined by this rule and approved by the Commission.

11 §402.311. Pull-Tab or Instant Bingo Dispensers.

12 (a) Approval of Pull-Tab or Instant Bingo Dispensers.

13 (1) No pull-tab or instant bingo dispenser may be sold, leased, or otherwise furnished to
14 any person in this state or used in the conduct of bingo for public play unless and until a dispenser
15 which is identical to the dispenser intended to be sold, leased, or otherwise furnished has first been
16 presented to the Commission by its manufacturer, at the manufacturer's expense, and has been
17 approved by the Commission for use within the state.

18 (2) An identical dispenser to the dispenser intended to be sold, leased, or otherwise
19 furnished must be presented to the Commission in Austin, Texas for review. If granted, approval
20 extends only to the specific dispenser model approved. Any modification must be approved by the
21 Commission.

22 (3) Once a dispenser has been approved, the Commission may keep the dispenser for
23 further testing and evaluation for as long as the Commission deems necessary.

1 (b) Manufacturing Requirements.

2 (1) Manufacturers of pull-tab or instant bingo dispensers must manufacture each dispenser
3 in such a manner to ensure that the dispenser dispenses a break-open bingo ticket, an instant bingo
4 ticket, a pull-tab bingo game or instant bingo card only after the player inserts money into the
5 dispenser, and that such ticket, game or card is the sole thing of value which may be redeemed for
6 cash.

7 (2) Manufacturers of dispensers must manufacture each dispenser in such a manner to
8 ensure that the device neither displays nor has the capability to determine whether a break-open
9 bingo ticket, an instant bingo ticket, or a pull-tab bingo game is a winning or non-winning ticket.

10 (3) Manufacturers of dispensers must manufacture each dispenser in such a manner that
11 any visual animation does not simulate or display rolling or spinning reels.

12 (4) Manufacturers of dispensers must manufacture each dispenser in such a manner that
13 any stacking column is adjustable for varying lengths of break-open bingo tickets, instant bingo
14 tickets, or pull-tab bingo games. As an option, a dispenser may use replaceable stacking columns
15 that accommodate varying lengths of break-open bingo tickets, instant bingo tickets, or pull-tab
16 bingo games. The dispenser must be adjustable for varying thicknesses of break-open tickets,
17 instant bingo tickets, or pull-tab bingo games.

18 (5) If the Commission detects or discovers any problem with the dispenser that affects the
19 security and/or integrity of the break-open bingo ticket, an instant bingo ticket, or a pull-tab bingo
20 game or dispenser, the Commission may direct the manufacturer, distributor, or conductor to cease
21 the sale, lease, or use of the dispenser, as applicable. The Commission may require the
22 manufacturer to correct the defect, malfunction, or problem or recall the dispenser immediately
23 upon notification by the Commission to the manufacturer. If the manufacturer, distributor, or

1 conductor detects or discovers any defect, malfunction, or problem with the dispenser, the
2 manufacturer, distributor, or conductor, as applicable, shall immediately remove the dispenser
3 from use or play and immediately notify the Commission of such action.

4 (c) Conductor Requirements.

5 (1) A conductor who has purchased or leased a dispenser may not allow another conductor
6 to use such dispenser unless and until the former conductor has removed its break-open bingo
7 tickets, instant bingo tickets, pull-tab bingo games and instant bingo cards from the dispenser.

8 (2) Each conductor who uses a dispenser at its bingo occasion shall affix to the dispenser
9 an identification label which displays the conductor's name and Texas taxpayer identification
10 number.

11 (3) The keys to open the locked doors to the dispenser's ticket dispensing area and coin
12 and/or cash box must be in the possession and control of the operator in charge of the occasion, or
13 someone designated by the operator. The operator in charge or the person designated shall present
14 the keys to a Commission representative immediately upon request. The operator in charge shall
15 be responsible for ensuring that the person so designated shall have the keys available at all times
16 during the occasion.

17 (4) All break-open bingo tickets, instant bingo tickets, pull-tab bingo games or instant
18 bingo cards in any one column or sleeve must have the same serial number, color description, and
19 must be of the same kind and type.

20 (d) Inspection. The Commission or the Commission's authorized representative(s) may examine
21 and inspect any individual pull-tab or instant bingo dispenser. Such examination and inspection
22 includes immediate access to the dispenser and unlimited inspection of all parts of the dispenser.

23 (e) Records.

1 (1) All records, reports, and receipts relating to the pull-tab or instant bingo dispenser sales,
2 maintenance, and repairs must be retained by the conductor on the premises where the conductor
3 is licensed to conduct bingo or at a location designated in writing by the conductor for a period of
4 four years for examination by the Commission. Any change in the designated location must be
5 submitted to the Commission in writing at least ten days prior to the change.

6 (2) Manufacturers and distributors must provide and maintain for a period of four years the
7 following information on each invoice or other document used in connection with a sale or lease,
8 as applicable:

9 (A) date of sale or lease;

10 (B) quantity sold or leased;

11 (C) cost per dispenser;

12 (D) model and serial number of each dispenser;

13 (E) name and address of the purchaser or lessee; and

14 (F) Texas taxpayer identification number of the purchaser or lessee.

15 (f) Restrictions. No licensee may display, use or otherwise furnish a dispenser which has in any
16 manner been marked, defaced, tampered with, or which otherwise may deceive the public or affect
17 a person's chances of winning.

18 §402.324. Card-Minding Systems--Approval of Card-Minding Systems.

19 (a) A card-minding system must not be sold, leased, or otherwise furnished to any person for use
20 in the conduct of bingo until it has first been tested and certified as compliant with the standards
21 in this subchapter by an independent testing facility [~~or the Commission's own testing lab~~]. The
22 card-minding system shall be submitted for testing at the manufacturer's expense. The testing
23 facility should be required to ensure that the card-minding system conforms to the restrictions and

conditions set forth in these standards. The approval process is set forth in subsections (b) - (f) of this section.

(b) Utilizing an Independent Testing Facility:

(1) – (5) (No change.)

(6) The Commission shall either approve or disapprove the submission based on the test results and inform the manufacturer and lab of the results within thirty (30) calendar days of receipt of the test results and any other forms and documentation required to ensure the card-minding system is compliant with the standards in this subchapter.

~~[(c) Utilizing the Commission's testing lab:]~~

~~[(1) Manufacturer has card-minding system ready for submission;]~~

~~[(2) Manufacturer submits system to Commission with letter outlining system specifics;]~~

~~[(3) Testing lab may request a demonstration of the system prior to testing;]~~

~~[(4) Lab performs validation testing to ensure compliance with Commission's requirements. This testing may include functional testing and/or modification testing, if applicable;]~~

~~[(5) Lab communicates with manufacturer on any questions arising from testing;]~~

~~[(6) Lab recommends approval or denial of the system within forty-five (45) calendar days from submission date; and]~~

~~[(7) The Commission issues an approval or denial letter to the manufacturer which includes software/firmware signatures (checksum).]~~

(c) ~~[(d)]~~ After the Commission approves a card-minding system, the manufacturer shall notify the Commission of the date, time and place of the first installation of the system so that a Commission representative may observe and review the card-minding system.

1 (d) [(e)] Checksum or digital signatures will be obtained from the proprietary software submitted
2 for testing to be used to verify that proprietary software at playing locations is the same as the
3 software that was approved. The manufacturer shall provide any software necessary to view the
4 checksum or digital signatures.

5 (e) [(f)] The decision by the director to approve or disapprove any component of a card-minding
6 system is administratively final.

7 (f) [(g)] The manufacturer shall be responsible for the costs related to the testing of card-minding
8 systems ~~[to include the fees charged by independent testing facilities or the Commission testing~~
9 ~~lab].~~

10 (g) [(h)] The manufacturer shall be responsible for the travel costs incurred by the Commission to
11 audit the initial installation of a card-minding system in the state of Texas.

12 (h) [(i)] All card-minding system approvals issued by the Commission prior to the effective date
13 of this section remain valid. Any subsequent changes or modifications to an approved system
14 require compliance with this section.

15 §402.325. Card-Minding Systems--Licensed Authorized Organizations Requirements.

16 (a) – (c) (No change.)

17 (d) The licensed authorized organization must treat void transactions resulting in a cash refund in
18 the following manner:

19 (1) – (3) (No change.)

20 (4) All voided receipts, whether cash or other payment or as the result of presales, must be
21 attached to the bingo occasion report printed at the end of each bingo occasion and maintained
22 with the records.

23 (e) – (q) (No change.)

1 §402.326. Card-Minding Systems—Distributor Requirements.

2 (a) Installation. Each distributor that leases, sells, or otherwise furnishes a card-minding system
3 shall install the system based on the manufacturer’s approval letter for use in Texas. Each system
4 shall be installed with:

5 (1) – (3) (No change.)

6 (4) ~~[a dedicated modem phone line or]~~ internet connectivity.

7 (b) – (h) (No change.)

8 §402.334. Shutter Card Bingo Systems – Approval of Shutter Card Bingo Systems.

9 (a) – (c) (No change.)

10 (d) Checksum or digital signatures will be obtained from the proprietary software submitted for
11 testing to be used to verify that proprietary software at playing locations is the same as the software
12 that was approved. The manufacturer shall provide any software necessary to view the checksum
13 or digital signatures.

14 (e) – (h) (No change.)

15 §402.400. General Licensing Provisions.

16 (a) – (d) (No change.)

17 (e) If an application is incomplete, the Commission will notify the applicant and, if applicable, the
18 applicant’s bingo hall. The applicant must provide the requested information within 21 calendar
19 days of such notification. Failure to respond within this timeframe will result in the application
20 being deemed incomplete and withdrawn. The application and any submitted documentation will
21 not be returned. ~~[If the applicant fails to respond within 21 calendar days of the notification, the~~
22 ~~application will be deemed incomplete and returned to the applicant.]~~

23 (f) – (n) (No change.)

§402.401. Temporary License.

(a) (No change.)

(b) General.

(1) – (3) (No change.)

(4) Voluntary surrender of regular license.

(A) An authorized organization that no longer holds a regular license to conduct 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 that have not been designated within ten days of surrender ~~[in excess of the twelve (12) per year]~~.

(B) (No change.)

(5) (No change.)

(c) – (d) (No change.)

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

(1) If an organization has never received a temporary license or 3 years have elapsed since the organization last held a temporary bingo occasion, the organization must submit an ~~[a Texas]~~ Application for Temporary Bingo Occasions for Non-Regular ~~[Non-Licensed]~~ Organization, FORMID 20 ~~[–Section 2]~~.

(2) Organizations who have held a temporary license occasion in the past three years may submit an [Texas] Application for a Temporary Bingo Occasions for Non-Regular ~~[Non-Licensed]~~ Organization, FORMID 19, ~~[–Section 1]~~ to apply for a temporary license.

(3) (No change.)

§402.402. Registry of Bingo Workers.

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

(1) – (4) (No change.)

(5) Completed Application--A registry application or renewal form prescribed by the Commission which is legible and lists at a minimum the applicant's complete legal name, address, social security number or registry number, date of birth, ~~[race,~~ gender and signature.

(6) – (10) (No change.)

(b) – (s) (No change.)

§402.404. License Classes and Fees.

(a) Definitions.

(1) (No change.)

(2) ~~[Regular]~~ License Classes and Applicable Fee Amount:

(A) – (C) (No change.)

(b) – (e) (No change.)

(f) ~~[Regular]~~ License Class Recalculation.

(1) – (7) (No change.)

(g) – (j) (No change.)

§402.411. License Renewal.

1 (a) – (b) (No change.)

2 (c) The Commission may notify licensees regarding the expiration of their license(s) and the
3 potential for renewal. Failure of the licensee to receive the renewal notice(s) provided ~~[mailed]~~ by
4 the Commission is not a mitigating circumstance for untimely filing of a renewal application.

5 ~~[(d) To be timely filed:]~~

6 ~~[(1) the renewal application and payment, if applicable, of the estimated license fee must~~
7 ~~be received by the Commission no later than the license expiration date; or]~~

8 ~~[(2) the renewal application's envelope postmarked date must clearly show a date that is no~~
9 ~~later than the license expiration date, unless the expiration date is a Saturday, Sunday, or legal~~
10 ~~holiday, in which event the application is due the next day which is not a Saturday, Sunday, or~~
11 ~~legal holiday; or]~~

12 ~~[(3) an application bearing no legible postmark, postal meter date, or date of delivery to~~
13 ~~the common carrier shall be considered to have been sent seven calendar days before receipt by~~
14 ~~the Agency, or on the date of the document if the document date is less than seven days earlier~~
15 ~~than the date of receipt.]~~

16 (d) ~~[(e)]~~ Notwithstanding subsection (b) of this section, if a renewal application is not timely filed,
17 a licensee may renew its ~~[their]~~ license by filing a complete application for renewal with the
18 Commission and, if applicable, submitting the requisite license fee and late license renewal fee.
19 The late license renewal fee is based on the estimated license fee for the renewal period. Penalty
20 amounts are calculated as follows:

21 Figure: 16 TAC §402.411(d) ~~[16 TAC §402.411(e)]~~

Number of Days Late	Percentage of Estimated License Fee
1-14	10%
15-28	20%
29-42	30%
43-56	40%
57-60	50%

(e) [(f)] Any required late license renewal fee is due within 14 calendar days of the date of the written notification by the Commission of the amount due.

(f) [(g)] The Commission will not issue a temporary license to a licensed authorized organization that has not filed its renewal application.

(g) [(h)] A late license renewal fee is not refundable.

(h) [(i)] License renewal applications received more than 60 days after the license expiration date will be returned unprocessed by the Commission to the sender.

(i) [(j)] To be complete, an application for renewal must contain all information that is required to be provided in or with the initial license application, as well as any other information required by the Commission.

(1) – (2) (No change.)

(j) [(k)] Unless otherwise provided by law or rule, the general licensing provisions in §402.400 of this title (relating to General Licensing Provisions) shall govern the license renewal process, including the submission and review of the renewal application, as if the renewal application was an initial license application.

(k) [(l)] Except as authorized by the Charitable Bingo Operations Director, or his or her [their] designee, license renewal applications received by the Commission more than 60 days prior to the current license expiration date will be returned unprocessed by the Commission to the sender.

§402.443. Transfer of a Grandfathered Lessor's Commercial Lessor License.

(a) – (b) (No change.)

(c) A change in the name or the ownership of a legal entity that holds a grandfathered license does not constitute a transfer of the license if the entity’s Comptroller’s Taxpayer Number remains the same.

§402.500. General Records Requirements.

(a) – (d) (No change.)

(e) Bingo uses cash basis accounting, which records revenue and expenses when the cash related to those transactions is actually received or dispensed.

§402.502. Charitable Use of Net Proceeds Recordkeeping.

(a) – (b) (No change.)

(c) Record Keeping:

(1) – (4) (No change.)

(5) A licensed authorized organization must maintain documentation for all charitable distributions made to individuals or other organizations. These ~~[may, but are not required to]~~ include:

(A) – (B) (No change.)

(6) A licensed authorized organization must maintain documentation for all charitable distributions used for its exempt purposes. Documentation ~~[may, but is not required to]~~ includes ~~[include]:~~

(A) – (B) (No change.)

(7) – (11) (No change.)

§402.600. Bingo Reports and Payments.

(a) On or before the 25th of the month prior to the end of the calendar quarter, the Commission may provide reminder notifications to licensees regarding upcoming filing deadlines ~~[will mail the "Texas Bingo Conductor's Quarterly Reports", "Texas Lessor Quarterly Reports", and "Manufacturer/Distributor Quarterly Reports and Supplements" to its licensees].~~

(b) Quarterly reports, supplements, and payments due to be submitted on a date occurring on a Saturday, Sunday, or legal holiday will be due the next business day. The report will be deemed filed in accordance with Rule §402.105 ~~[when deposited with the United States Postal Service or private mail service, postage or delivery charges paid and the postmark or shipping date indicated on the envelope is the date of filing. For quarterly reports and supplements submitted electronically, the report will be deemed filed as of the date and time sent from the specified e-mail address].~~

(c) – (e) (No change.)

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

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

(2) – (5) (No change.)

(g) – (m) (No change.)

§402.601. Interest on Delinquent Tax.

(a) (No change.)

(b) Interest on Refund or Credit.

(1) (No change.)

1 (2) A credit of \$100.00 or less entered by a licensed authorized organization or lessor on
2 its quarterly report does not accrue interest. The credit will be accessible for viewing in the Bingo
3 Service Portal or through the agency's system for any inquiries regarding the current filing quarter
4 [preprinted on the quarterly report reflecting the amount of the credit to be taken from the current
5 quarter]. A credit taken by a licensed authorized organization or lessor on the quarterly report does
6 not accrue interest.

7 (3) – (4) (No change.)

8 §402.602. ~~[Waiver of Penalty,]~~ Settlement of Prize Fees, Penalty and/or Interest.

9 ~~[(a) The Charitable Bingo Operations Director, for good cause shown, may waive a penalty if a~~
10 ~~licensee holding a license to conduct bingo or license to lease bingo premises exercised reasonable~~
11 ~~diligence to comply with Occupations Code, §2001.504. The Charitable Bingo Operations~~
12 ~~Division will not consider a request for a penalty or interest waiver until the principal related to~~
13 ~~the specific request is paid in full. To be considered, a written request stating the reason(s) penalty~~
14 ~~should be waived must be sent to the Charitable Bingo Operations Division within 14 days of the~~
15 ~~date the quarterly report and prize fees were due.]~~

16 ~~[(1) The Charitable Bingo Operations Division will inform the licensee in writing within~~
17 ~~three days of the Charitable Bingo Operations Division's decision regarding the penalty waiver~~
18 ~~request after considering:]~~

19 ~~[(A) Whether the licensee is current in the filing of all reports;]~~

20 ~~[(B) Whether the licensee is current in the payment of all prize fees due for the last~~
21 ~~eight consecutive quarters;]~~

22 ~~[(C) Whether a penalty has been waived within the last eight consecutive quarters;]~~

1 ~~[(D) Whether the licensee has a good record of timely filing and paying past returns;~~
2 ~~and]~~

3 ~~[(E) Whether the licensee has taken the necessary steps to correct the problem for~~
4 ~~future reporting.]~~

5 ~~[(2) If a licensee has had a penalty waived within the last eight consecutive quarters, the~~
6 ~~current request will be denied.]~~

7 ~~[(b) If a prize fee is owed for an inactive account, the Charitable Bingo Operations Division will~~
8 ~~not consider a request for a penalty or interest waiver until the principal is paid in full. The Division~~
9 ~~will notify the inactive account that a prize fee is owed and provide the inactive account with any~~
10 ~~existing documents that support the delinquency determination. The Division may provide such~~
11 ~~notice and documentation to any officer, director, or business contact listed in the inactive~~
12 ~~account's most recent filing with the Commission.]~~

13 ~~[(e)] Settlement of prize fees, penalty or interest on an inactive account. The Commission may~~
14 ~~settle a claim for prize fees, penalty, or interest if the total cost of collection, as determined by the~~
15 ~~Commission, would exceed the total amount due.~~

16 §402.702. Disqualifying Convictions.

17 (a) – (b) (No change.)

18 (c) For criminal convictions that do not fall under the categories addressed in subsection (b) of this
19 section, the Commission may determine an applicant to be ineligible for a new or renewal license
20 or a registry listing based on a criminal conviction for:

21 (1) (No change.)

22 (2) An offense under [~~§3g,~~] Article 42A.054 of the Code of Criminal Procedure; or

23 (3) (No change.)

(d) – (l) (No change.)

§402.703. Audit Policy.

(a) (No change.)

(b) Audit Determination.

(1) (No change.)

(2) Those licensees who are most at risk of violating the Bingo Enabling Act or the Charitable Bingo Administrative Rules will be identified for audit based on risk factors established by the Commission. Risk factors shall ~~may~~ be based on, among other things, a licensee's gross receipts, gross rentals, bingo expenses, net proceeds, compliance history, and/or charitable distributions. An audit must commence by the fourth anniversary of the date a licensee is identified for audit.

(3) (No change.)

(c) – (g) (No change.)

§402.706. Schedule of Sanctions.

(a) – (b) (No change.)

(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

\$250 [~~\$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

\$250 [~~\$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

\$100 [~~\$0 (Warning)~~] to \$600 for the 1st offense

\$100 [~~\$0 (Warning)~~] to \$800 for the 2nd offense

\$100 [~~\$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)).

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2 **Category 3**

3 **\$0 (Warning) to \$400 for the 1st offense**

4 **\$100 [~~\$0 (Warning)~~] to \$600 for the 2nd offense**

5 **\$100 [~~\$0 (Warning)~~] to \$800 for the 3rd offense (Violation Nos. 18, 22, 23 – 28)**

6 **\$100 [~~\$0 (Warning)~~] to \$1,000 and/or license suspension, revocation or denial, or registry**
7 **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 <u>obtained</u> . [obtained.]
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2 **Category 4**

3 **\$0 (Warning) to \$300 for the 1st offense**

4 **\$100 [~~\$0 (Warning)~~] to \$450 for the 2nd offense**

5 **\$100 [~~\$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.

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7 **Category 5**

8 **\$0 (Warning) to \$200 for the 1st offense**

9 **\$100 [~~\$0 (Warning)~~] to \$300 for the 2nd offense**

10 **\$100 [~~\$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.
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2 **Category 6**

3 **\$0 (Warning) to \$100 for the 1st offense**

4 **\$50 [~~\$0 (Warning)~~] to \$150 for the 2nd offense**

5 **\$50 [~~\$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.

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7 **Category 7**

8 **\$0 (Warning) for the 1st offense**

9 **\$50 [~~\$0 (Warning)~~] for the 2nd offense**

10 **\$50 [~~\$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.

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12 (d) – (h) (No change.)

(i) If a person is charged with a repeat violation within 36 months (3 years) of a previous violation, then the sanction for a repeat violation will be imposed according to the Schedule of Sanctions for repeat violations. A repeat violation of a previous violation means that the violations in both instances are the same.

(j) – (l) (No change.)

§402.707. Expedited Administrative Penalty Guidelines.

(a) – (c) (No change.)

(d) The NAVSA shall include the following information:

(1) – (3) (No change.)

(4) the dollar amount of the administrative penalty recommended by the director [Director] or his or her designee;

(5) – (9) (No change.)

(e) – (f) (No change.)

(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 that if the player is not satisfied with the operators response that the player has the right to file a <u>written</u> formal complaint with the Commission.	1 st Offense - \$30 2 nd Offense - \$45 3 rd Offense - \$75

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 - <u>\$50</u> [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