



Texas Lottery Commission



Commissioners:

J. Winston Krause, Chairman

Mark A. Franz • Robert Rivera

Michael P. Farrell
Director

July 17, 2019

Mayor Michael R Carpenter
City of Schertz
1400 Schertz Pkwy
Schertz, TX 78154-1673

Dear Mayor Carpenter:

The Texas Lottery Commission (TLC), Charitable Bingo Operations Division, is providing this notification because your county and/or municipality currently receives a share of the prize fees collected on charitable bingo activity that occurs in its jurisdiction.

Pursuant to House Bill (HB) 914, enacted by the 86th Texas Legislature, in order to continue to receive a share of bingo prize fees after Jan. 1, 2020, your county and/or municipal governing board must affirmatively vote to do so and submit proof of that vote to the TLC by Nov. 1, 2019. If no eligible local governments vote to continue receiving their share of the prize fee, the bingo organizations will keep that share for themselves to fund their charitable purposes.¹

Currently, non-profit charitable organizations conducting bingo collect a 5% fee on prizes awarded. These funds are submitted each quarter to the TLC, which in turn remits a *pro rata* share of the funds to local governments at the end of each fiscal year. Your county and/or municipality receives a share of the bingo prize fees because it elected to do so prior to Sept. 1, 1993.

Effective Jan. 1, 2020, H.B. 914 includes another change regarding the collection and remittance of prize fees. Local governments will no longer receive their bingo prize fee payments from the TLC at the end of the fiscal year; instead, the licensed organizations conducting bingo in the local jurisdiction will be responsible for sending eligible local governments 50% of the prize fees they collect on a quarterly basis.

The most immediate matter for your attention is that your local government will only continue to receive a share of the bingo prize fees collected after Jan. 1, 2020 if it meets the requirements set forth in HB 914 that require your governing body to:

- (1) approve the continued receipt of the share of bingo prize fee funds by a majority vote; and**
- (2) notify the TLC of that decision no later than Nov. 1, 2019; and**
- (3) notify each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.**

¹ For the full text of H.B. 914, see <https://legiscan.com/TX/text/HB914/id/2027641>

This notification is being provided to inform you of the new statutory requirements. We will provide a further communication in the coming months that will include more information and a prescribed form that will need to be submitted to the agency's Charitable Bingo Operations Division to verify that a vote took place.

Please let us know as soon as possible if there is a specific contact person or office to direct our future correspondence, and that will serve as your county and/or municipality's official address of record for notification purposes. Without a dedicated address for this purpose, it is possible that future communications may be misdirected. This could result in your county and/or municipality *permanently* losing its share of bingo prize fees.

If you have any questions, email us at bingo.services@lottery.state.tx.us or call 800-246-4677.

Sincerely,

A handwritten signature in blue ink that reads "Michael P. Farrell". The signature is written in a cursive style with a large initial "M".

Michael P. Farrell
Director
Charitable Bingo Operations Division