

- SUBJECT:** Authorizing progressive bingo games
- COMMITTEE:** Licensing and Administrative Procedures — favorable without amendment
- VOTE:** 7 ayes — Flores, Geren, Isett, Hamilton, Miles, Quintanilla, Thompson
0 nays
2 absent — Goolsby, Jones
- WITNESSES:** For — Stephen Fenoglio, State VFW & 410 Member Posts & Over 400 Charitable & Business Organizations; Steven Hieronymus, Trend Gaming Systems LLC

Against — (*Registered, but did not testify*: Henry Anawaty, Texas Charity Advocates)

On — Steve Bresnen, Bingo Interest Group; (*Registered, but did not testify*: Philip D. Sanderson, Texas Lottery Commission Charitable Bingo Operations Division)
- BACKGROUND:** Under Occupations Code, sec. 2001, state-licensed nonprofit organizations can conduct bingo games, subject to numerous regulations.

Sec. 2001.420 limits prizes for single bingo games to \$750. For games other than pull-tab bingo, prizes on a single bingo occasion cannot have an aggregate value of more than \$2,500. A bingo occasion is series of games by a licensed organization.
- DIGEST:** HB 2265 would authorize progressive bingo games and set a limit for the games. A progressive bingo game would be a game in which the prize increased over successive bingo occasions until a player completed the winning pattern for a game.

The prize in a progressive bingo game would be called a jackpot prize, and prizes offered to or awarded in games at which no player won the jackpot would be called consolation prizes. Jackpot or consolation prizes could not be more than \$50,000 for a single progressive bingo game. Jackpot and consolation prizes would not be counted toward the limit on the aggregate value of prizes in a bingo occasion.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007. The Texas Lottery Commission would be required to adopt rules to implement HB 2265 as soon as practicable after its effective date.

**SUPPORTERS
SAY:**

HB 2265 would authorize a new type of bingo game that could help reverse a trend of declining interest in charitable bingo in Texas. More interest in bingo would help the charities that benefit from the games.

The bill would authorize progressive bingo, a game in which prizes roll over and accumulate until there is a winner. This technique allows jackpots to grow and excitement about a game to build, and more excitement can bring more players to the games. HB 2265 also would raise the prize limit in current law so that jackpots for these games could grow.

The higher prize limit set by HB 2265 is necessary to generate the type of interest in progressive bingo that makes the game attractive to players. The author plans to offer an amendment that would limit the prize to \$2,500.

The fact that several individual organizations would be running progressive bingo games at the same time would work to mitigate any harm that one game might do to other charities. Texas already has made the decision to allow charitable bingo, and the jackpots authorized by HB 2265 would do nothing to move the state in a different direction. Progressive bingo jackpots would be analogous to lottery jackpots that continue to build until there is a winner, an idea that clearly has the public's approval.

**OPPONENTS
SAY:**

Instituting bingo jackpots as high as \$50,000 could move Texas closer in the direction of high-dollar gambling. It would be more appropriate to set a lower limit on progressive bingo games to keep them within the spirit of charitable bingo in Texas.

The \$50,000 jackpot set by HB 2265 is so high that it might result in players abandoning the halls they frequent to chase a progressive jackpot at another bingo hall, and this could hurt charities not running progressive bingo games.

NOTES:

The author plans to offer an amendment limiting progressive bingo prizes to \$2,500.

According to the Legislative Budget Board, HB 2265 would generate a gain of \$3.1 million in general revenue to the state in fiscal 2008-09 through increased prize fees. Cities could expect to gain \$1.3 million over the same period, and counties would gain \$1.4 million.