

SUBJECT: Allowing bingo proceeds to pay for health insurance for bingo employees

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 6 ayes — Hamilton, Quintanilla, Gutierrez, Kuempel, Menendez, Thompson

 0 nays

 3 absent — Driver, Geren, Harless

SENATE VOTE: On final passage, April 19 — 30-1 (Nelson)

WITNESSES: For — None

 Against — None

 On — (*Registered, but did not testify*: Phil Sanderson, Texas Lottery Commission)

BACKGROUND: Occupations Code sec. 2001.458 lists certain items an authorized bingo organization may pay for from their proceeds. These include advertising, security, supplies, repairs, prizes, accounting services, fees for callers, cashiers, ushers, janitors, and utility services. Health insurance and health benefits provided by a licensed authorized bingo organization to an employee specifically is excluded from the items that may be paid for with bingo proceeds.

DIGEST: SB 1342 would add health insurance or health insurance benefits for certain bingo employees to the list of items an authorized bingo organization could pay for from its proceeds. The value of the health insurance or benefits could not be more than 50 percent of the premium owed. If an employee worked for multiple organizations, the combined value of the health insurance or benefits could not be more than 50 percent of the total premium owed.

SB 1342 also would add fees for bingo chairpersons, operators, managers, and salespersons to the list of items these organizations could pay for with bingo proceeds.

The bill would take effect on September 1, 2011.

**SUPPORTERS
SAY:**

Charitable nonprofit organizations that are authorized bingo operators currently are prohibited from offering health insurance or health benefits to their employees that are paid for with bingo proceeds. SB 1342 would not mandate these organizations provide health insurance, but would allow them to use proceeds to pay up to 50 percent of the premium owed. These organizations should be allowed to provide health insurance or benefits to their employees using bingo proceeds, while also providing charitable funding.

**OPPONENTS
SAY:**

By allowing an additional expense to be added to a list of items an authorized bingo operator could take out of its proceeds, less money would go to the charities these proceeds were intended to fund.