



INTEROFFICE MEMO

Gary Grief, Executive Director Ed Rogers, Acting Charitable Bingo Operations Director

To: J. Winston Krause, Chairman
Carmen Arrieta-Candelaria, Commissioner
Doug Lowe, Commissioner
Robert Rivera, Commissioner

From: Bob Biard, General Counsel *RB*

Date: June 21, 2018

Re: Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §402.102 (Bingo Advisory Committee), 16 TAC §402.300 (Pull-Tab Bingo), and 16 TAC §402.402 (Registry of Bingo Workers)

Attached are draft rules prepared for submission to the *Texas Register* to adopt amendments to the three referenced bingo rules, without changes to the proposed text as published in the April 27, 2018, issue of the *Texas Register* (43 TexReg 2509, 2511, and 2513) (also attached).

The Department of Texas, Veterans of Foreign Wars; Texas Charity Advocates; and the Bingo Interest Group each provided comments in support of the amendments at the May 9, 2018 public hearing. River City Bingo Association also submitted written comments to clarify a provision of the Bingo Advisory Committee (BAC) rule regarding the term "conductors that are licensed commercial lessors," with which the Commission agrees. No changes were made to the rule amendments based on the comments received.

The amendments to the BAC rule update and streamline the BAC member eligibility and appointment procedures, and procedural requirements regarding BAC meetings. These changes will provide greater flexibility to the Commission in administering the BAC process to enhance bingo industry participation in advising the Commission on charitable bingo regulatory issues.

The amendments to the Pull-Tab Bingo rule remove an unnecessary provision requiring detailed information to be provided in a packing slip inside each deal of pull-tab bingo tickets. These changes will reduce regulation of the manufacture of pull-tab bingo tickets.

The amendments to the Registry of Bingo Workers rule (1) remove a requirement that a provisional employee of a licensed authorized organization (bingo conductor) must indicate the playing location(s) where they are provisionally employed on the Application for Registry of Approved Bingo Workers (Bingo Registry) form submitted to the Commission; and (2) extend the length of time a provisional employee who is not a resident of Texas may work without being listed on the Bingo Registry from 45 days to 75 days. These changes will provide greater flexibility to out-of-state bingo worker applicants and their bingo conductor employers while awaiting the results of such an applicant's criminal history background check.

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

1 The Texas Lottery Commission (Commission) adopts amendments to 16 TAC §402.102
2 (Bingo Advisory Committee) without changes to the proposed text as published in the April 27,
3 2018, issue of the *Texas Register* (43 TexReg 2509). The purpose of the rule amendments is to
4 update and streamline the Bingo Advisory Committee (BAC) member eligibility and appointment
5 procedures, and procedural requirements regarding BAC meetings.

6 A public comment hearing was held on Wednesday, May 9, 2018, at 10:00 a.m., at 611 E.
7 6th Street, Austin, Texas 78701. The Department of Texas, Veterans of Foreign Wars; Texas
8 Charity Advocates; and the Bingo Interest Group each provided comments in support of the
9 proposed amendments at the hearing. Additionally, River City Bingo Association (RBCA)
10 submitted written comments during the public comment period.

11 RBCA commented that the reference in subsection (b)(2)(C) to “conductors that are
12 licensed commercial lessors” as a category of BAC member should be interpreted to include not
13 only a single licensed authorized organization (bingo conductor) but also an association of bingo
14 conductors that jointly owns or leases premises where bingo is or will be conducted and that the
15 association leases or offers to lease to one or more conductors for the conduct of bingo. Thus, a
16 representative of a bingo conductor that is part of such a lessor association could be considered for
17 appointment to the BAC as a conductor that is a commercial lessor. The Commission agrees with
18 this interpretation but declines to make changes to the text of the rule.

19 The rule amendments are adopted under the Texas Occupations Code §2001.054, which
20 authorizes the Commission to adopt rules to enforce and administer the Bingo Enabling Act; and
21 the Texas Government Code §467.102, which authorizes the Commission to adopt rules for the
22 laws under the Commission’s jurisdiction.

23 The adopted amendments implement the Texas Occupations Code, Chapter 2001.

1 §402.102. Bingo Advisory Committee.

2 (a) What is the purpose of the Bingo Advisory Committee (BAC)?

3 (1) The purpose of the BAC is to:

4 (A) advise the Commission on the needs and problems of the state's bingo industry;

5 (B) report the activities of the BAC to the Commission; and

6 (C) perform other duties as directed by the Commission.

7 (2) The BAC's sole duty is to advise the Commission.

8 (3) The BAC has no executive or administrative powers or duties with respect to the
9 operations of the Charitable Bingo Operations Division.

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

11 (1) The Commission may appoint nine persons as members of the BAC.

12 (2) The Commission must appoint members to represent the following interest groups:

13 (A) the public;

14 (B) conductors that are not licensed commercial lessors;

15 (C) conductors that are licensed commercial lessors;

16 (D) commercial lessors;

17 (E) licensed manufacturers; and

18 (F) licensed distributors.

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

21 (c) What are the minimum eligibility requirements to serve on the BAC?

22 (1) A member may not represent a licensee that is delinquent in payment of any prize fees
23 for which a final jeopardy determination has been made by the Commission.

1 (2) A member representing the public may not be an individual who is required by statute
2 to be listed on a conductor, commercial lessor, manufacturer, or distributor license application.

3 (3) A member must meet the criminal history standards in Bingo Enabling Act Sections
4 2001.105(b), 2001.154(a)(1), 2001.202(1), and 2001.207(1).

5 (4) A nominee for membership must provide complete and accurate information on the
6 nomination form.

7 (d) How are members nominated to serve on the BAC?

8 (1) Individuals may submit a nomination form during the nomination period determined
9 by the Commission.

10 (2) Nomination forms are available from the Charitable Bingo Operations Division or the
11 Commission's website.

12 (e) What is the appointment process?

13 (1) Commission staff verifies eligibility and qualifications of nominees and sends all
14 nominations that meet minimum requirements to each Commissioner.

15 (2) Each Commissioner may interview those nominees.

16 (3) The BAC may be a resource to the Commission by reviewing nominations,
17 interviewing prospective members, and submitting its recommendations to the Commissioners for
18 consideration. However, the BAC will not act to exclude nominees.

19 (4) The Commissioners shall appoint a nominee based on a review of the nomination form
20 and/or interview.

21 (f) How long may members serve on the BAC?

22 (1) The Commission appoints each member to serve for a one-year term or until the
23 Commission appoints a successor.

1 (2) Each member serves at the pleasure of the Commission.

2 (g) May a BAC member be removed from the BAC before the member's term has expired? The
3 Commission may remove a member at any time without cause.

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

5 (1) The BAC may meet quarterly or more frequently at the Commission's request.

6 (2) BAC meetings must be held at the Commission headquarters in Austin, Texas;
7 provided that, meetings may be held at a location in Texas other than Austin, subject to the
8 discretion of the Commission and BAC presiding officer.

9 (i) Who conducts the BAC meeting?

10 (1) The BAC must annually select a presiding officer to conduct meetings and general
11 business.

12 (2) The presiding officer must designate a member of the BAC to conduct meetings and
13 general business in the presiding officer's absence.

14 (j) Are BAC meetings open to the public? Yes. The BAC must publish notice of a BAC meeting
15 at least 10 full days prior to the date of the meeting. The meeting notice shall include the time, day,
16 and location of the meeting as well as the agenda items. The BAC presiding officer shall request
17 the Commission, through Commission staff, post the notice on the Commission's website.

18 (k) May a member send a substitute person or proxy vote to a BAC meeting? A member may not
19 send a substitute person or proxy vote to a meeting.

20 (l) Are minutes kept of BAC meetings?

21 (1) The BAC must keep minutes of each meeting reflecting all formal action taken.

1 (2) The BAC may consider a transcript prepared by a court reporter to be the minutes of
2 the meeting. The Commission will provide a court reporter (or transcript service if a court reporter
3 is not available) to prepare a transcript of each BAC meeting.

4 (3) The BAC must approve the minutes at its next meeting, and file the approved minutes
5 with the Charitable Bingo Operations Division Director, who shall post the approved minutes on
6 the Commission's website.

7 (m) What is the BAC's annual workplan?

8 (1) The workplan will contain items that the Commission determines.

9 (2) The BAC may submit to the Commission for their consideration and approval
10 additional items for the workplan that are relevant to the state of the bingo industry.

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

12 (1) The BAC must report their activities quarterly to the Commission, although the
13 Commission may require reporting more frequently.

14 (2) The BAC will report annually to the Commission the BAC's perspective on the state of
15 the charitable bingo industry in Texas with specific comments on the following:

16 (A) adjusted gross receipts;

17 (B) net receipts;

18 (C) charitable distributions;

19 (D) expenses;

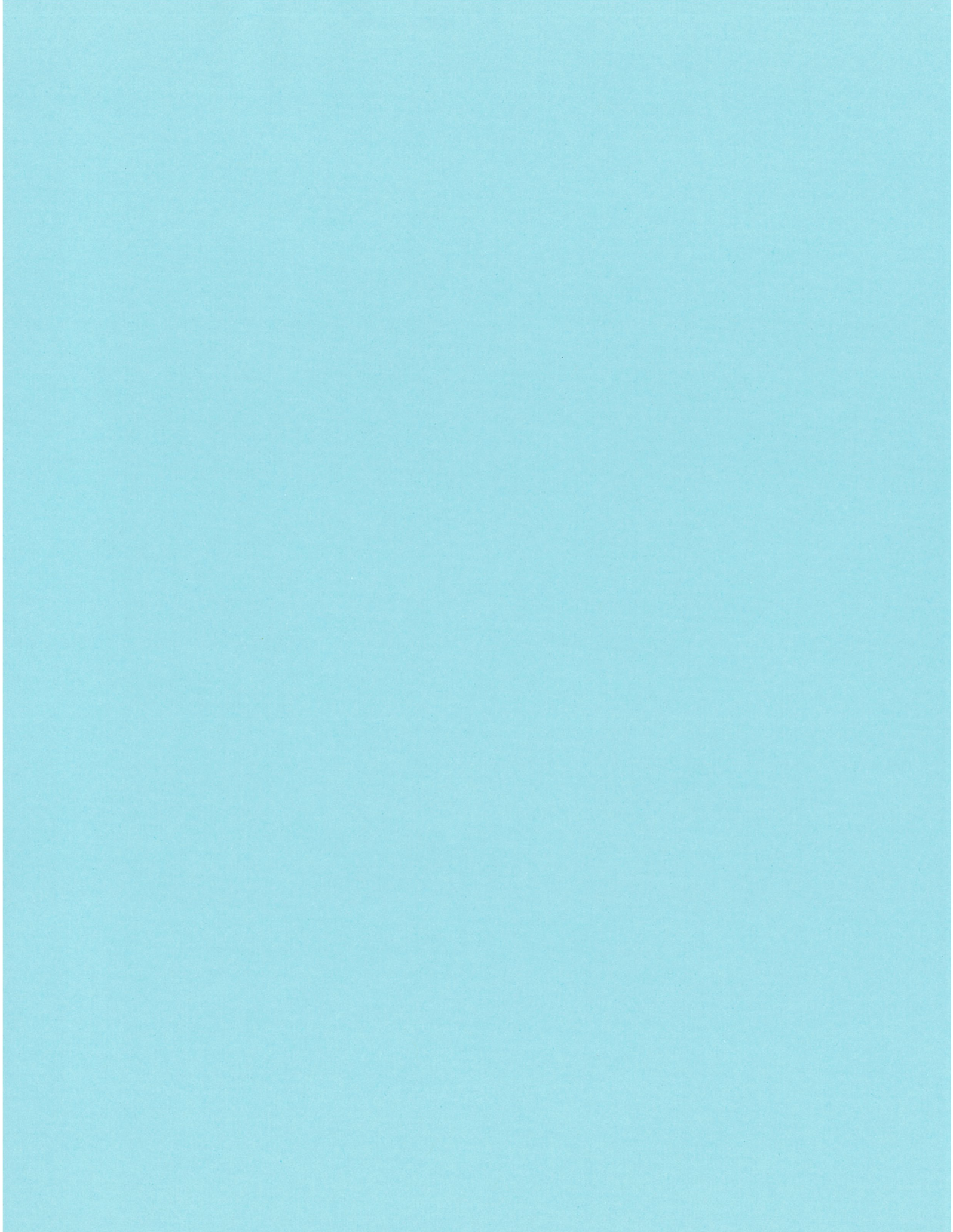
20 (E) attendance; and

21 (F) any other matter requested by the Commission.

1 (3) At the first Commission meeting held prior to September 1 each year, the BAC will
2 provide to the Commission a report of its activities as they relate to the workplan approved by the
3 Commission the previous year.

4 (o) When does the BAC cease to exist? The BAC will cease to exist annually on August 31, unless
5 the Commission, prior to August 31, votes to continue the BAC.

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~~[(i)] The direct prize category contribution shall be 40.15% of the residual prize pool for the drawing.]~~

~~[(ii)] If the first prize is not won by a Cash Five player from the drawing, the direct prize category contribution will roll into the second prize category.]~~

~~[(B)] Second prize--The prize amount shall be calculated by dividing the prize category contributions by the number of shares for the prize category. A share is the matching combination, in one play, of any four of the five numbers drawn (in any order). The total prize category contribution will include the following:]~~

~~[(i)] The direct prize category contribution shall be 18.08% of the residual prize pool for the drawing.]~~

~~[(ii)] If the second prize is not won by a Cash Five player from the drawing, the direct prize category contribution will roll into the third prize category.]~~

~~[(C)] Third prize--The prize amount shall be calculated by dividing the prize category contributions by the number of shares for the prize category. A share is the matching combination, in one play, of any three of the five numbers drawn (in any order). The total prize category contribution will include the following:]~~

~~[(i)] The direct prize category contribution shall be 41.77% of the residual prize pool for the drawing.]~~

~~[(ii)] If the third prize is not won by a Cash Five player from the drawing, the direct prize category contribution will carry forward to the prize pool for the next drawing.]~~

~~[(D)] Fourth prize--The prize amount is a guaranteed \$2.]~~

~~[(f)] Ticket purchases.]~~

~~[(1)] Cash Five tickets may be purchased only at a licensed location from a lottery retailer authorized to sell draw game tickets.]~~

~~[(2)] Cash Five tickets shall show the player's selection of numbers, or Quick Pick (QP) numbers, boards played, drawing date, and serial numbers.]~~

~~[(3)] It shall be the exclusive responsibility of the player to verify the accuracy of the player's selection(s) and other data printed on the ticket. A ticket is a bearer instrument until signed.]~~

~~[(4)] Except as provided in subsection (d)(2) of this section, Cash Five tickets must be purchased using official Cash Five playslips. Playslips which have been mechanically completed are not valid. Cash Five tickets must be printed on official Texas Lottery paper stock or, for third-party point-of-sale systems approved by the commission, printed on paper stock or otherwise issued in a manner approved by the commission to provide tangible evidence of participation in a lottery game. Cash Five tickets must be purchased at a licensed location through an authorized retailer's terminal.]~~

~~(c) [(g)] Drawings.~~

~~(1) The Cash Five drawings shall be held each week on Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday evenings at 10:12 p.m. Central Time except that the drawing schedule may be changed by the executive director, if necessary.~~

~~(2) The drawings will be conducted by lottery officials.~~

~~(3) Each drawing shall determine, at random, five winning numbers in accordance with Cash Five draw procedures. Any numbers drawn are not declared winning numbers until the drawing is certified by the lottery in accordance with the draw procedures. The winning~~

numbers shall be used in determining all Cash Five winners for that drawing.

(4) Each drawing shall be witnessed by an independent certified public accountant. All drawing equipment used shall be examined by a lottery drawing representative and the independent certified public accountant immediately prior to a drawing and immediately after the drawing.

(5) A drawing will not be invalidated based on the financial liability of the lottery.

~~(f) [(h)] The executive director may authorize promotions in connection with Cash Five.~~

~~(g) [(i)] Announcement of incentive or bonus program. The executive director shall announce each incentive or bonus program prior to its commencement. The announcement shall specify the beginning and ending time, if applicable, of the incentive or bonus program and the value for the award.~~

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 13, 2018.

TRD-201801603

Bob Biard

General Counsel

Texas Lottery Commission

Earliest possible date of adoption: May 27, 2018

For further information, please call: (512) 344-5012



CHAPTER 402. CHARITABLE BINGO OPERATIONS DIVISION

SUBCHAPTER A. ADMINISTRATION

16 TAC §402.102

The Texas Lottery Commission (Commission) proposes amendments to 16 TAC §402.102 (Bingo Advisory Committee). The purpose of the proposed amendments is to update and streamline the Bingo Advisory Committee (BAC) member eligibility and appointment procedures, and procedural requirements regarding BAC meetings.

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

J. Winston Krause, Commission Chairman, has determined that for each year of the first five years the proposed amendments will be in effect, the anticipated public benefit is providing greater flexibility to the Commission in administering the BAC process to enhance bingo industry participation in advising the Commission on charitable bingo regulatory issues.

Pursuant to Texas Government Code §2001.0221, the Commission provides the following Government Growth Impact Statement for the proposed rule amendments. For each year of the first five years the proposed amendments will be in effect, Kathy Pyka, Controller, has determined the following:

- (1) The proposed amendments do not create or eliminate a government program.
- (2) Implementation of the proposed amendments does not require the creation of new employee positions or the elimination of existing employee positions.
- (3) Implementation of the proposed amendments does not require an increase or decrease in future legislative appropriations to the Commission.
- (4) The proposed amendments do not require an increase or decrease in fees paid to the Commission.
- (5) The proposed amendments do not create a new regulation.
- (6) The proposed amendments do not expand or limit an existing regulation.
- (7) The proposed amendments do not increase or decrease the number of individuals subject to the rule's applicability.
- (8) The proposed amendments do not positively or adversely affect this state's economy.

The Commission requests comments on the proposed amendments from any interested person. Comments may be submitted to Bob Biard, General Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630; by facsimile at (512) 344-5189; or by email at legal.input@lottery.state.tx.us. Comments must be received within 30 days after publication of this proposal in the *Texas Register* in order to be considered. The Commission also will hold a public hearing to receive comments on this proposal at 10:00 a.m. on May 9, 2018, at 611 E. 6th Street, Austin, Texas 78701.

The amendments are proposed under the Texas Occupations Code §2001.054, which authorizes the Commission to adopt rules to enforce and administer the Bingo Enabling Act; and Texas Government Code §467.102, which authorizes the Commission to adopt rules for the laws under the Commission's jurisdiction.

This proposal is intended to implement the Texas Occupations Code, Chapter 2001.

§402.102. Bingo Advisory Committee.

- (a) (No change.)
- (b) What is the composition of the Bingo Advisory Committee?
 - (1) The Commission may appoint nine persons as members of the BAC.
 - (2) The Commission must appoint members to represent the following interest groups:
 - (A) the public;[;]
 - (B) conductors that are not licensed commercial lessors;[;]
 - (C) conductors that are licensed commercial lessors;[; and]
 - (D) commercial lessors;[;]

[~~(3)~~] [~~The Commission may appoint members to represent;~~]

[~~(E)~~] [~~(A)~~] licensed manufacturers;[;]

[~~(F)~~] [~~(B)~~] licensed distributors.

[~~(3)~~] [~~(4)~~] 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) What are the minimum eligibility requirements to serve on the BAC?

(1) A member may not represent a licensee that is delinquent in payment of any prize fees [or gross rental taxes] for which a final jeopardy determination has been made by the Commission.

[~~(2)~~] A member may not represent a licensee that has a license denied, revoked or suspended by the Commission.;

[~~(2)~~] [~~(3)~~] A member representing the public may not be an individual who is required by statute to be listed on a conductor, commercial lessor, manufacturer, or distributor license application.

[~~(3)~~] [~~(4)~~] A member must meet the criminal history standards in Bingo Enabling Act Sections 2001.105(b), 2001.154(a)(1) [~~2001.154(a)(5)~~], 2001.202(1), and 2001.207(1).

[~~(4)~~] [~~(5)~~] A nominee for membership must provide complete and accurate information on the nomination form.

(d) How are members nominated to serve on the BAC?

(1) Individuals may submit a nomination form during the [regular] nomination period determined by the Commission. [which begins on March 1 and ends on April 30 each year and at other times if there is an unexpected member vacancy.;

(2) Nomination forms are available from the Charitable Bingo Operations Division or the Commission's website [web site].

(e) What is the appointment process?

(1) Commission [Charitable Bingo Operations Division] staff verifies [verify] eligibility and qualifications of nominees and sends [send] all nominations that meet minimum requirements to each Commissioner.

(2) Each Commissioner may interview those nominees. [Charitable Bingo Operations Division staff rank the nominations with advice and consultation of the Executive Director as appropriate.;

[~~(3)~~] Charitable Bingo Operations Division staff provide to the BAC at the first meeting after June 1 each year, and at other times if there is an unexpected member vacancy, the names of those nominees that staff will recommend to the Commissioners.;

[~~(3)~~] [~~(4)~~] The BAC may be a resource to the Commission by reviewing nominations, interviewing prospective members, and submitting its recommendations to the [Charitable Bingo Operations Division and the] Commissioners for consideration. However, the BAC will not act to exclude nominees.

[~~(5)~~] Each Commissioner may interview those nominees recommended by staff or other nominees.;

[~~(4)~~] [~~(6)~~] The Commissioners shall [may] appoint a nominee based on a review of the nomination form and/or interview. [staff or BAC recommendation or may appoint any other nominee.;

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

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

~~[(2) Members serve staggered terms of three years so that three members' terms expire August 31 each year.]~~

(2) ~~[(3)]~~ Each member serves at the pleasure of the Commission.

(g) May a BAC member be removed from the BAC before the member's term has expired?

~~[(4)]~~ The Commission may remove a member at any time without cause.

~~[(2) The Commission may consider any of the following, among other things, to be grounds for inquiry and possible removal of a person from the BAC:]~~

~~[(A) failure to meet the eligibility requirements described in subsection (e) of this section;]~~

~~[(B) failure to attend two consecutive, regular scheduled meetings for any reason;]~~

~~[(C) unlawful conduct;]~~

~~[(D) making of false statements, including omissions;]~~

~~[(E) acts involving dishonesty, fraud, deceit or misrepresentation;]~~

~~[(F) abuse of legal process;]~~

~~[(G) violation of an order of a court;]~~

~~[(H) conduct evidencing mental or emotional instability; or]~~

~~[(I) conduct evidencing drug or alcohol abuse or dependency.]~~

~~[(3) Failure to disclose a publicly filed allegation of any of the items in paragraph (2) of this subsection is grounds for removal.]~~

(h) When and where does the BAC meet?

(1) The BAC may meet quarterly or more frequently at the Commission's request.

(2) BAC meetings must be held at the Commission headquarters in Austin, Texas; provided that, meetings [~~except one meeting per year~~] may be held at a location in Texas other than Austin, subject to the discretion of the Commission and BAC presiding officer. [~~Charitable Bingo Operations Division Director.~~]

(i) (No change.)

(j) Are BAC meetings open to the public? Yes. The BAC must publish notice of a BAC meeting at least 10 full days prior to the date of the meeting. The meeting notice shall include the time, day, and location of the meeting as well as the agenda items. The BAC presiding officer shall request the Commission, through Commission staff, post the notice on the Commission's website. [BAC meetings shall be open meetings in accordance with the Open Meetings Act, Texas Government Code, Chapter 551.]

(k) (No change.)

(l) Are minutes kept of BAC meetings?

(1) The BAC must keep minutes of each meeting reflecting all formal action taken.

(2) The BAC may consider a transcript prepared by a court reporter to be the minutes of the meeting. The Commission will provide a court reporter (or transcript service if a court reporter is not available) to prepare a transcript of each BAC meeting.

(3) The BAC must approve the minutes at its next meeting, and file the approved minutes with the Charitable Bingo Operations Division Director, who shall post the approved minutes on the Commission's website.

(m) What is the BAC's annual workplan?

~~[(1) The BAC must submit to the Commission for approval at the first meeting prior to September 1 each year a workplan to guide the activities of the BAC for the following year.]~~

(1) ~~[(2)]~~ The workplan will contain [these] items that [the BAC and] the Commission determines. [~~determine are relevant to the state of the bingo industry.~~]

(2) The BAC may submit to the Commission for their consideration and approval additional items for the workplan that are relevant to the state of the bingo industry.

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

(1) The BAC must report their activities quarterly to the Commission, although the Commission may require reporting more frequently.

(2) The BAC will report annually to the Commission the BAC's perspective on the state of the charitable bingo industry in Texas with specific comments on the following:

(A) adjusted gross receipts;

(B) net receipts;

(C) charitable distributions;

(D) expenses;

(E) attendance; and

(F) any other matter requested by the Commission.

(3) At the first Commission meeting held prior to September 1 each year, the BAC will provide to the Commission a report of its activities as they relate to the workplan approved by the Commission the previous year.

(o) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 13, 2018.

TRD-201801607

Bob Biard

General Counsel

Texas Lottery Commission

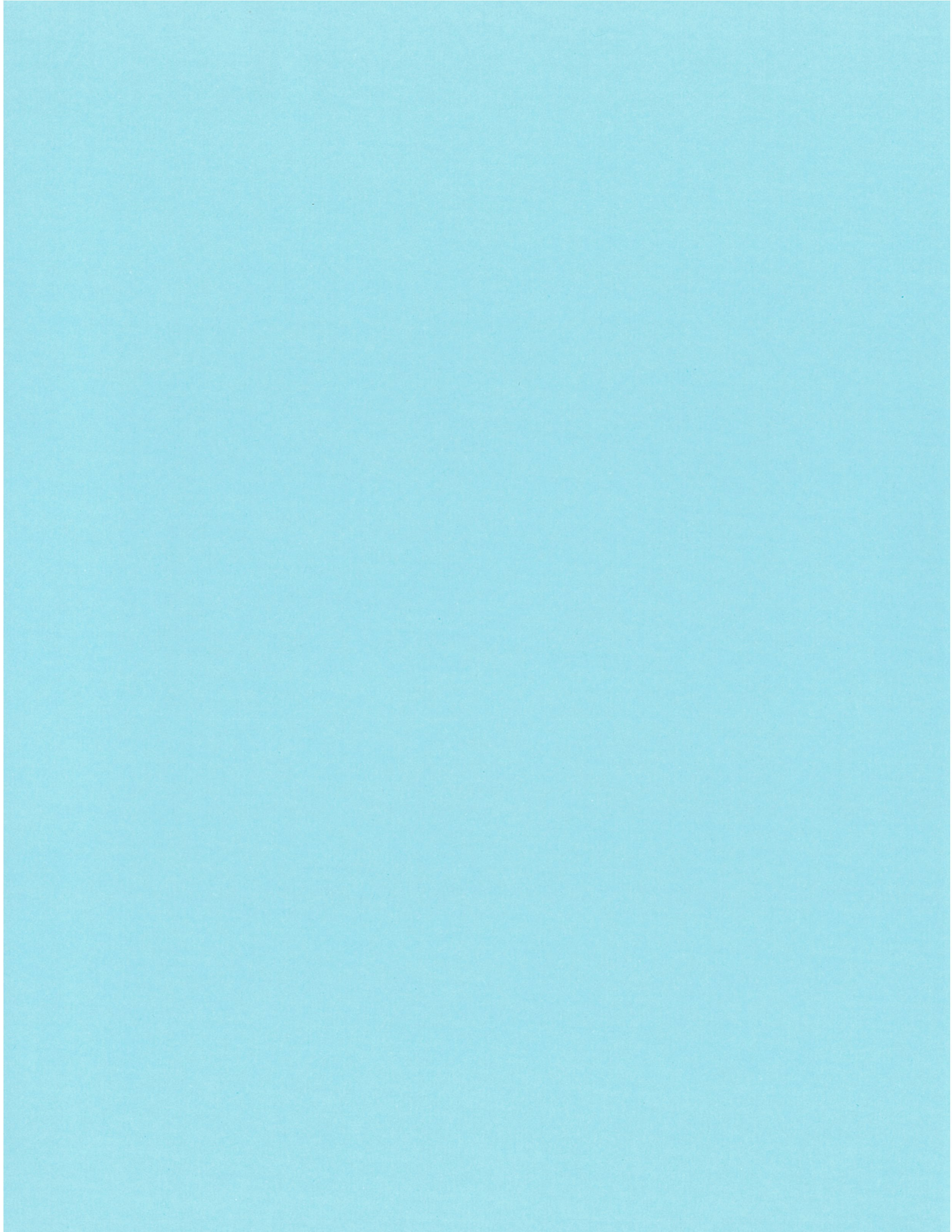
Earliest possible date of adoption: May 27, 2018

For further information, please call: (512) 344-5392



SUBCHAPTER C. BINGO GAMES AND EQUIPMENT

16 TAC §402.300



1 The Texas Lottery Commission (Commission) adopts amendments to 16 TAC §402.300
2 (Pull-Tab Bingo) without changes to the proposed text as published in the April 27, 2018, issue of
3 the *Texas Register* (43 TexReg 2511). The purpose of the rule amendments is to remove an
4 unnecessary provision (former subsection (d)(3)) requiring detailed information to be provided in
5 a packing slip inside each deal of pull-tab bingo tickets.

6 A public comment hearing was held on Wednesday, May 9, 2018, at 10:00 a.m., at 611 E.
7 6th Street, Austin, Texas 78701. The Department of Texas, Veterans of Foreign Wars; Texas
8 Charity Advocates; and the Bingo Interest Group each provided comments in support of the
9 proposed amendments at the hearing.

10 The rule amendments are adopted under the Texas Occupations Code §2001.054, which
11 authorizes the Commission to adopt rules to enforce and administer the Bingo Enabling Act; and
12 the Texas Government Code §467.102, which authorizes the Commission to adopt rules for the
13 laws under the Commission's jurisdiction.

14 The adopted amendments implement the Texas Occupations Code, Chapter 2001.
15 §402.300. Pull-Tab Bingo.

16 (a) Definitions. The following words and terms, shall have the following meanings, unless the
17 context clearly indicates otherwise:

18 (1) Bingo Ball Draw--A pulling of a bingo ball(s) to determine the winner of an event ticket
19 by either the number or color on the ball(s).

20 (2) Deal--A separate and specific game of pull-tab bingo tickets of the same serial number
21 and form number.

22 (3) Face--The side of a pull-tab bingo ticket, which displays the artwork of a specific game.

23 (4) Flare--A poster or placard that must display:

- 1 (A) a form number of a specific pull-tab bingo game;
- 2 (B) the name of the pull-tab bingo game;
- 3 (C) the total card count of the pull-tab bingo game;
- 4 (D) the cost per pull-tab bingo ticket;
- 5 (E) the number of prizes to be awarded and the corresponding prize amounts of the
- 6 pull-tab bingo game; and
- 7 (F) the name of the manufacturer or trademark.

8 (5) Form Number--The unique identification number assigned by the manufacturer to a
9 specific pull-tab bingo game. A form number may be numeric, alpha, or a combination of numeric
10 and alpha characters.

11 (6) High Tier--The two highest paying prize amounts as designated on the pull-tab bingo
12 ticket and on the game's flare.

13 (7) Last Sale--The purchaser of the last pull-tab bingo ticket(s) sold in a deal with this
14 feature is awarded a prize or a registration for the opportunity to win a prize.

15 (8) Merchandise--Any non-cash item(s), including bingo equipment, provided to a licensed
16 authorized organization that is used as a prize.

17 (9) Wheels--Devices that determine event ticket winner(s) by a spin of a wheel.

18 (10) Pay-Out--The total sum of all possible prize amounts in a pull-tab bingo game.

19 (11) Payout Schedule--A printed schedule prepared by the manufacturer that displays:

- 20 (A) the name of the pull-tab bingo game;
- 21 (B) the form number of the pull-tab bingo game;
- 22 (C) the total card count of the pull-tab bingo game;
- 23 (D) the cost per pull-tab bingo ticket;

1 (E) the number of prizes to be awarded and the corresponding prize amount or
2 jackpot for each category of the pull-tab bingo game;

3 (F) the number of winners for each category of prize;

4 (G) the profit of the pull-tab bingo game;

5 (H) the percentage of payout or the percentage of profit of the pull-tab bingo game;

6 and

7 (I) the payout(s) of the pull-tab bingo game.

8 (12) Payout Structure--The printed information that appears on a pull-tab bingo ticket that
9 shows the winnable prize amounts, the winning patterns required to win a prize, and the number
10 of winners for each category of prize.

11 (13) Prize--An award of collectible items, merchandise, cash, bonus pull-tabs, and
12 additional pull-tab bingo tickets, individually or in any combination.

13 (14) Prize Amount--The value of cash and/or merchandise which is awarded as a prize, as
14 valued under §402.200(f) of this chapter. A collectable item is considered merchandise for
15 determining allowable prize amounts.

16 (15) Serial Number--The unique identification number assigned by the manufacturer
17 identifying a specific deal of pull-tab bingo tickets. A serial number may be numeric, alpha, or a
18 combination of numeric and alpha characters.

19 (16) Subset--A part of a deal that is played as a game to itself or combined with more
20 subsets and played as a game. Each subset may be designed to have:

21 (A) a designated payout; or

22 (B) a series of designated payouts. Subsets must be of the same form and serial
23 number to have a combined designated payout or a series of designated payouts.

1 (17) Symbol--A graphic representation of an object other than a numeric or alpha character.

2 (18) Video Confirmation--A graphic and dynamic representation of the outcome of a bingo
3 event ticket that will have no effect on the result of the winning or losing event ticket.

4 (b) Approval of pull-tab bingo tickets.

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

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

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

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

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

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

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

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

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

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

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

18 (4) Upon approval of the color artwork, the manufacturer will be notified by the
19 Commission to submit a specified number of tickets for testing. The tickets must be submitted for
20 testing to the Commission at the manufacturers own expense. If necessary, the Commission may
21 request that additional tickets or a deal be submitted for testing.

22 (5) If the color artwork is approved and the pull-tab bingo tickets pass the Commission's
23 testing, the manufacturer will be notified of the approval. This approval only extends to the specific

1 pull-tab bingo game and the specific form number cited in the Commission's approval letter. If the
2 pull-tab bingo ticket is modified in any way, with the exception of the serial number, index color,
3 or trademark(s), it must be resubmitted to the Commission for approval. Changes to symbols
4 require only an artwork approval from the Commission.

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

7 (c) Disapproval of pull-tab bingo tickets.

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

22 (2) If modified by the manufacturer all disapproved pull-tab bingo tickets may be
23 resubmitted to the Commission. No sale of disapproved tickets will be allowed until the

1 resubmitted tickets have passed security testing by the Commission. At any time the manufacturer
2 may withdraw any disapproved pull-tab bingo tickets from further consideration.

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

6 (d) Manufacturing requirements.

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

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

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

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

7 (5) A flare must accompany each deal.

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

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

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

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

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

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

3 (12) Pull-tab bingo tickets must:

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

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

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

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

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

18 (F) be designed so that highlighted "pay-code" designations that identify the
19 winning symbol combinations will be a minimum of $3.5/32$ inch from the dye-cut window
20 perforations;

21 (G) be designed so that secondary winner protection codes appear in the left margin
22 of the ticket, unless the secondary winner protection codes are randomly generated serial number-
23 type winner protection codes. Randomly generated serial number-type winner protection codes

1 will be randomly located in either the left or middle column of symbols and will be designed so
2 that the numbers are a minimum of 3.5/32 inch from the dye-cut window perforations. Any colored
3 line or bar or background used to highlight the winner protection code will be a minimum 3.5/32
4 (7/64) inch from the dye-cut window perforations;

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

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

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

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

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

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

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

21 (e) Sales and redemption.

22 (1) Instant pull-tab bingo tickets from a single deal may be sold by a licensed authorized
23 organization over multiple occasions. A winning instant pull-tab bingo ticket must be presented

1 for payment during the licensed authorized organization's bingo occasion(s) at which the instant
2 pull-tab bingo ticket is available for sale.

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

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

12 (4) For a licensed authorized organization that conducts bingo on consecutive occasions
13 within one 24-hour period, the organization may sell or redeem event pull-tab tickets from a deal
14 during either occasion.

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

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

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

1 (8) A licensed authorized organization may bundle pull-tab bingo tickets of different form
2 numbers and may sell these bundled pull-tab bingo tickets during their licensed times.

3 (9) The licensed authorized organization's gross receipts from the sale of pull-tab bingo
4 tickets must be included in the reported total gross receipts for the organization. Each deal of pull-
5 tab bingo tickets must be accounted for in sales, prizes or unsold cards.

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

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

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

14 (f) Inspection. The Commission, its authorized representative or designee may examine and
15 inspect any individual pull-tab bingo ticket or deal of pull-tab bingo tickets and may pull all
16 remaining pull-tab bingo tickets in an unsold deal.

17 (g) Records.

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

21 (2) Licensed authorized organizations must show the sale of pull-tab bingo tickets, prizes
22 that were paid and the form number and serial number of the pull-tab bingo tickets on the occasion

1 cash report. The aggregate total sales for the licensed authorized organization must be recorded on
2 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, prizes and prize fee 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 (h) Style of Play. The following pull-tab bingo tickets are authorized by this rule. A last sale feature
3 can be utilized on any pull-tab bingo ticket.

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

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

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

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

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

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

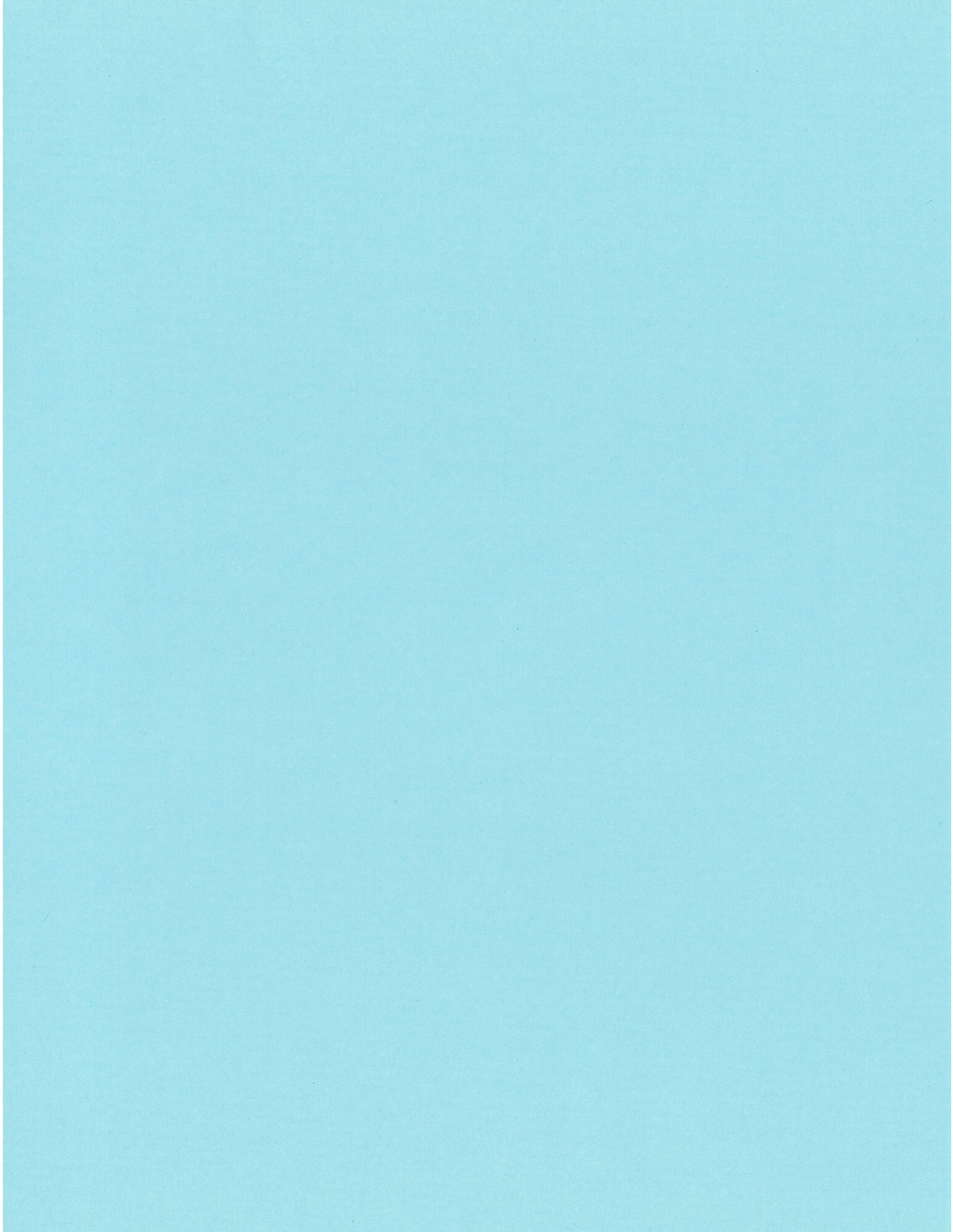
1 number as the event tickets. Pull-tab bingo tickets used as event tickets must contain more than
2 two instant winners.

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

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

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

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



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

~~[(2) Members serve staggered terms of three years so that three members' terms expire August 31 each year.]~~

(2) ~~[(3)]~~ Each member serves at the pleasure of the Commission.

(g) May a BAC member be removed from the BAC before the member's term has expired?

~~[(1)]~~ The Commission may remove a member at any time without cause.

~~[(2) The Commission may consider any of the following, among other things, to be grounds for inquiry and possible removal of a person from the BAC:]~~

~~[(A) failure to meet the eligibility requirements described in subsection (e) of this section;]~~

~~[(B) failure to attend two consecutive, regular scheduled meetings for any reason;]~~

~~[(C) unlawful conduct;]~~

~~[(D) making of false statements, including omissions;]~~

~~[(E) acts involving dishonesty, fraud, deceit or misrepresentation;]~~

~~[(F) abuse of legal process;]~~

~~[(G) violation of an order of a court;]~~

~~[(H) conduct evidencing mental or emotional instability; or]~~

~~[(I) conduct evidencing drug or alcohol abuse or dependency.]~~

~~[(3) Failure to disclose a publicly filed allegation of any of the items in paragraph (2) of this subsection is grounds for removal.]~~

(h) When and where does the BAC meet?

(1) The BAC may meet quarterly or more frequently at the Commission's request.

(2) BAC meetings must be held at the Commission headquarters in Austin, Texas; provided that, meetings[, except one meeting per year] may be held at a location in Texas other than Austin, subject to the discretion of the Commission and BAC presiding officer. [~~Charitable Bingo Operations Division Director.~~]

(i) (No change.)

(j) Are BAC meetings open to the public? Yes. The BAC must publish notice of a BAC meeting at least 10 full days prior to the date of the meeting. The meeting notice shall include the time, day, and location of the meeting as well as the agenda items. The BAC presiding officer shall request the Commission, through Commission staff, post the notice on the Commission's website. [BAC meetings shall be open meetings in accordance with the Open Meetings Act, Texas Government Code, Chapter 551.]

(k) (No change.)

(l) Are minutes kept of BAC meetings?

(1) The BAC must keep minutes of each meeting reflecting all formal action taken.

(2) The BAC may consider a transcript prepared by a court reporter to be the minutes of the meeting. The Commission will provide a court reporter (or transcript service if a court reporter is not available) to prepare a transcript of each BAC meeting.

(3) The BAC must approve the minutes at its next meeting, and file the approved minutes with the Charitable Bingo Operations Division Director, who shall post the approved minutes on the Commission's website.

(m) What is the BAC's annual workplan?

~~[(1) The BAC must submit to the Commission for approval at the first meeting prior to September 1 each year a workplan to guide the activities of the BAC for the following year.]~~

(1) ~~[(2)]~~ The workplan will contain [these] items that [the BAC and] the Commission determines. [~~determine are relevant to the state of the bingo industry.~~]

(2) The BAC may submit to the Commission for their consideration and approval additional items for the workplan that are relevant to the state of the bingo industry.

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

(1) The BAC must report their activities quarterly to the Commission, although the Commission may require reporting more frequently.

(2) The BAC will report annually to the Commission the BAC's perspective on the state of the charitable bingo industry in Texas with specific comments on the following:

(A) adjusted gross receipts;

(B) net receipts;

(C) charitable distributions;

(D) expenses;

(E) attendance; and

(F) any other matter requested by the Commission.

(3) At the first Commission meeting held prior to September 1 each year, the BAC will provide to the Commission a report of its activities as they relate to the workplan approved by the Commission the previous year.

(o) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 13, 2018.

TRD-201801607

Bob Biard

General Counsel

Texas Lottery Commission

Earliest possible date of adoption: May 27, 2018

For further information, please call: (512) 344-5392



SUBCHAPTER C. BINGO GAMES AND EQUIPMENT

16 TAC §402.300

The Texas Lottery Commission (Commission) proposes amendments to 16 TAC §402.300 (Pull-Tab Bingo). The purpose of the proposed amendments is to remove an unnecessary provision (subsection (d)(3)) requiring detailed information to be provided in a packing slip inside each deal of pull-tab bingo tickets.

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

Alfonso D. Royal III, Director of the Charitable Bingo Operations Division, has determined that for each year of the first five years the proposed amendments will be in effect, the anticipated public benefit is reduced regulation of the manufacture of pull-tab bingo tickets.

Pursuant to Texas Government Code §2001.0221, the Commission provides the following Government Growth Impact Statement for the proposed rule amendments. For each year of the first five years the proposed amendments will be in effect, Kathy Pyka, Controller, has determined the following:

- (1) The proposed amendments do not create or eliminate a government program.
- (2) Implementation of the proposed amendments does not require the creation of new employee positions or the elimination of existing employee positions.
- (3) Implementation of the proposed amendments does not require an increase or decrease in future legislative appropriations to the Commission.
- (4) The proposed amendments do not require an increase or decrease in fees paid to the Commission.
- (5) The proposed amendments do not create a new regulation.
- (6) The proposed amendments do not expand or limit an existing regulation.
- (7) The proposed amendments do not increase or decrease the number of individuals subject to the rule's applicability.
- (8) The proposed amendments do not positively or adversely affect this state's economy.

The Commission requests comments on the proposed amendments from any interested person. Comments may be submitted to Bob Biard, General Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630; by facsimile at (512) 344-5189; or by email at legal.input@lottery.state.tx.us. Comments must be received within 30 days after publication of this proposal in the *Texas Register* in order to be considered. The Commission also will hold a public hearing to receive comments on this proposal at 10:00 a.m. on May 9, 2018, at 611 E. 6th Street, Austin, Texas 78701.

The amendments are proposed under the Texas Occupations Code §2001.054, which authorizes the Commission to adopt rules to enforce and administer the Bingo Enabling Act; and

Texas Government Code §467.102, which authorizes the Commission to adopt rules for the laws under the Commission's jurisdiction.

This proposal is intended to implement the Texas Occupations Code, Chapter 2001.

§402.300. Pull-Tab Bingo.

(a) - (c) (No change.)

(d) 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.

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

~~(3) Each deal of pull-tab bingo tickets must contain a packing slip inside the deal. This packing slip must substantiate the name of the manufacturer, the serial number for the specific deal, the date the deal was packaged, and the name or other identification of the person who packaged the deal.~~

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

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

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

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

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

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

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

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

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

(12) [(13)] Pull-tab bingo tickets must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) - (h) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 13, 2018.

TRD-201801608

Bob Biard

General Counsel

Texas Lottery Commission

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For further information, please call: (512) 344-5392



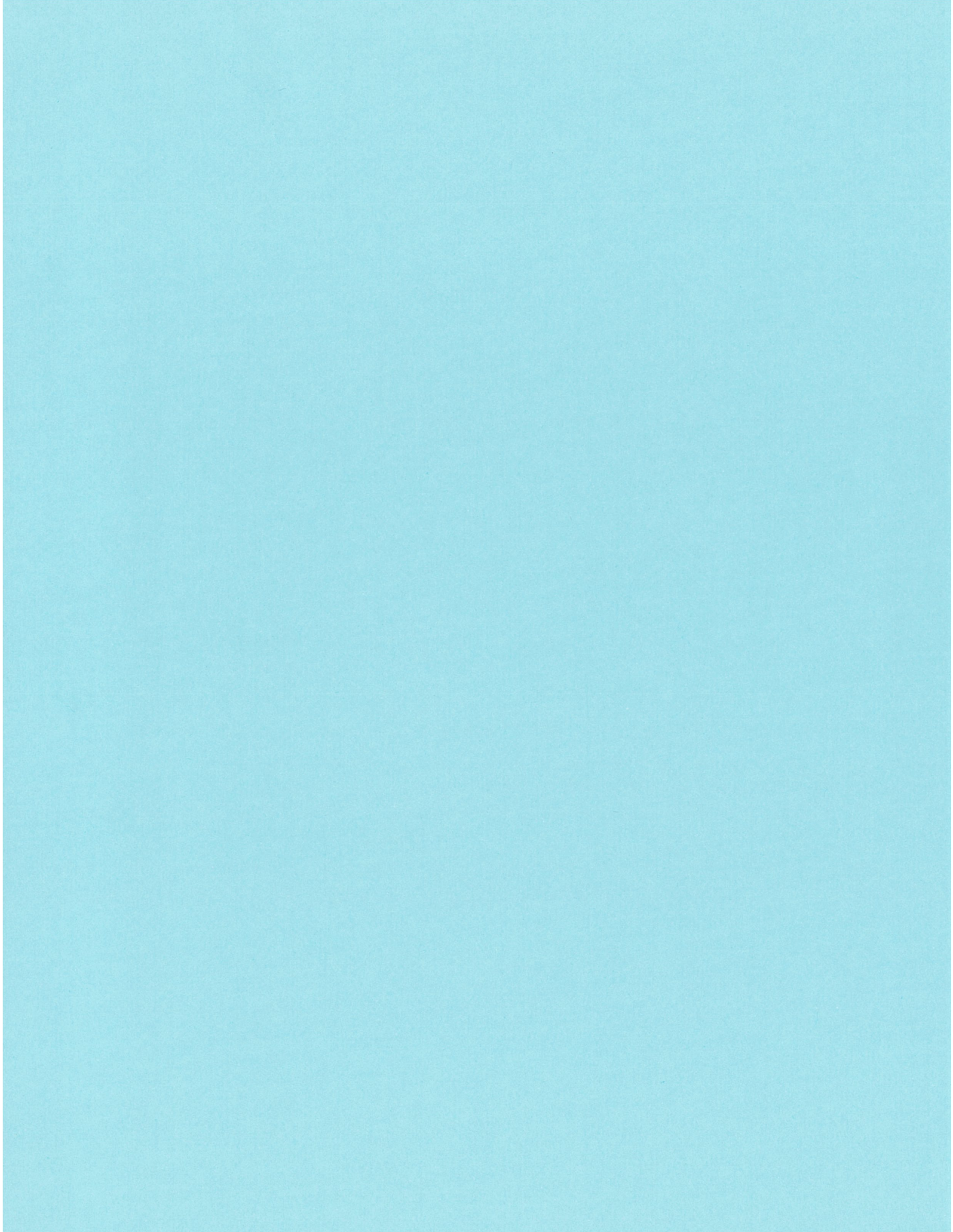
SUBCHAPTER D. LICENSING REQUIREMENTS

16 TAC §402.402

The Texas Lottery Commission (Commission) proposes amendments to 16 TAC §402.402 (Registry of Bingo Workers). The purpose of the proposed amendments is to (1) remove a requirement that a provisional employee of a licensed authorized organization (bingo conductor) must indicate the playing location(s) where they are provisionally employed on the Application for Registry of Approved Bingo Workers (Bingo Registry) form submitted to the Commission; and (2) extend the length of time a provisional employee who is not a resident of Texas may work without being listed on the Bingo Registry from 45 days to 75 days. A provisional employee is an individual who is employed by a bingo conductor as an operator, manager, cashier, usher, caller, or salesperson while awaiting the results of a criminal history background check, whether paid or not. Except during the time period allowed for provisional employees awaiting the result of a background check, all bingo workers must be listed on the Bingo Registry.

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

Alfonso D. Royal III, Director of the Charitable Bingo Operations Division, has determined that for each year of the first five years the proposed amendments will be in effect, the anticipated public benefit is to provide greater flexibility to out-of-state bingo worker applicants and their bingo conductor employers while awaiting the results of such an applicant's criminal history background check.



1 The Texas Lottery Commission (Commission) adopts amendments to 16 TAC §402.402
2 (Registry of Bingo Workers) without changes to the proposed text as published in the April 27,
3 2018, issue of the *Texas Register* (43 TexReg 2513). The purpose of the rule amendments is to
4 (1) remove a requirement that a provisional employee of a licensed authorized organization (bingo
5 conductor) must indicate the playing location(s) where they are provisionally employed on the
6 Application for Registry of Approved Bingo Workers (Bingo Registry) form submitted to the
7 Commission; and (2) extend the length of time a provisional employee who is not a resident of
8 Texas may work without being listed on the Bingo Registry from 45 days to 75 days. A provisional
9 employee is an individual who is employed by a bingo conductor as an operator, manager, cashier,
10 usher, caller, or salesperson while awaiting the results of a criminal history background check,
11 whether paid or not. Except during the time period allowed for provisional employees awaiting
12 the result of a background check, all bingo workers must be listed on the Bingo Registry.

13 A public comment hearing was held on Wednesday, May 9, 2018, at 10:00 a.m., at 611 E.
14 6th Street, Austin, Texas 78701. The Department of Texas, Veterans of Foreign Wars; Texas
15 Charity Advocates; and the Bingo Interest Group each provided comments in support of the
16 proposed amendments at the hearing.

17 The rule amendments are adopted under the Texas Occupations Code §2001.054, which
18 authorizes the Commission to adopt rules to enforce and administer the Bingo Enabling Act; and
19 the Texas Government Code §467.102, which authorizes the Commission to adopt rules for the
20 laws under the Commission's jurisdiction.

21 The adopted amendments implement the Texas Occupations Code, Chapter 2001.
22 §402.402. Registry of Bingo Workers.

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

3 (1) Bingo Chairperson--an individual named in accordance with Texas Occupations Code
4 §2001.002(4-a) and §2001.102(b)(6).

5 (2) Bookkeeper--an individual ultimately responsible for the preparation of any financial
6 records for information reported on the Texas Bingo Conductor's Quarterly Report or for
7 preparation and maintenance of bingo inventory records for a licensed authorized organization.

8 (3) Caller--an individual who operates the bingo ball selection device and announces the
9 balls selected.

10 (4) Cashier--an individual who sells and records bingo card and pull-tab sales to bingo
11 players and/or pays winners the appropriate prize.

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

15 (6) Manager--an individual who oversees the day-to-day operation of the bingo premises.

16 (7) Operator--means an active bona fide member of a licensed authorized organization that
17 has been designated on a form prescribed by the Commission prior to acting in the capacity as the
18 organization's operator.

19 (8) Provisional Employee--an individual who is employed by a licensed authorized
20 organization as an operator, manager, cashier, usher, caller, or salesperson while awaiting the
21 results of a background check, whether paid or not.

1 (9) Salesperson--an individual who monitors bingo players, sells bingo cards and pull-tabs,
2 verifies winning cards and pull-tabs and/or delivers the prize money to the winners; may be
3 referred to as an usher, floor worker, or runner.

4 (10) Usher--an individual who monitors bingo players, sells bingo cards and pull-tabs,
5 verifies winning cards and pull-tabs and/or delivers the prize money to the winners; may be
6 referred to as a salesperson, floor worker or runner.

7 (b) Who must be listed on the Registry of Approved Bingo Workers. Any individual who carries
8 out or performs the functions of a caller, cashier, manager, operator, usher, salesperson,
9 bookkeeper, or bingo chairperson as defined in subsection (a) of this section must be listed on the
10 Registry of Approved Bingo Workers prior to being involved in the conduct of bingo.

11 (c) Each individual must submit a completed Texas Application for Registry of Approved Bingo
12 Workers as prescribed by the Commission to remain on the Registry of Approved Bingo Workers.

13 (d) The registrant will be added to the registry as soon as possible after the Commission has
14 determined that the individual is eligible to be involved in the conduct of bingo or act as an
15 operator.

16 (e) For purposes of the Registry of Approved Bingo Workers, each operator, bookkeeper, and
17 bingo chairperson must be designated on the licensed authorized organization's license to conduct
18 bingo application.

19 (f) A licensed authorized organization must submit the name of a registered operator, bookkeeper,
20 or bingo chairperson on a form prescribed by the Commission prior to the individual's acting in
21 that capacity.

22 (g) A registered worker who fails to timely submit the prescribed form to renew listing on the
23 registry may not be involved in the conduct of bingo until the individual is again added to the

1 registry. It is the responsibility of the licensed authorized organization to review the registry to
2 confirm that the individual's registration is current.

3 (h) How to be listed on the Registry of Approved Bingo Workers. For an individual to be listed on
4 the Registry of Approved Bingo Workers, an individual must:

5 (1) submit a completed Texas Application for Registry of Approved Bingo Workers form
6 as prescribed by the Commission;

7 (2) submit a verifiable FBI or DPS fingerprint card if at the time of registration:

8 (A) the individual is residing outside of Texas; or

9 (B) the individual maintains a driver's license or registration in another state; and

10 (3) be determined by the Commission to not be ineligible under Texas Occupations Code,
11 §2001.105(a)(6) or the Commission's Rules.

12 (i) Incomplete Applications. The Commission will notify the applicant at the address provided if
13 the registry application or renewal form submitted is not complete and will identify what is
14 missing. The original application will be returned to the applicant for correction and resubmission.
15 It is the responsibility of the registry applicant to resubmit a completed application before it may
16 be processed. Failure to submit an FBI or DPS fingerprint card, if required, is grounds for denial
17 or removal of the registration.

18 (j) An individual listed on the registry must notify the Commission of any changes to information
19 contained on the Texas Application for Registry of Approved Bingo Workers on file with the
20 Commission within 30 days of the change in information. Such notification shall be in writing or
21 other approved electronic means.

22 (k) Identification Card for Approved Bingo Worker.

1 (1) The Commission will issue an identification card indicating that the individual is listed
2 on the registry. A registered worker and operator must wear his/her identification card while on
3 duty.

4 (2) The identification card worn by the registered worker or operator while on duty must
5 be visible.

6 (3) The identification card shall list the individual's name, unique registration number and
7 registry expiration date as issued by the Commission. An individual may obtain the unique
8 registration number and registry expiration date from the Registry of Approved Bingo Workers on
9 the Commission's website or by requesting the registration number and registry expiration date
10 from the Commission.

11 (4) An identification card is not transferable and may be worn only by the individual
12 identified on the card.

13 (5) Upon request by a Commission employee, an individual described in subsection (a) of
14 this section shall present personal photo identification in order to verify the identification card is
15 that individual's card.

16 (1) How to Obtain Additional Approved Identification Cards.

17 (1) A completed identification card may be obtained from the Commission by submitting
18 the required form.

19 (2) An individual who has been approved to work in charitable bingo may complete an
20 identification card form provided by the Commission for use while on duty. Blank identification
21 card forms may be obtained from the Commission. The individual requesting the identification
22 card form(s) must submit any required fee and the required form for the blank identification card
23 form.

1 (3) The identification card prepared by the individual may only be on a prescribed
2 Commission card form and must be legible and include the individual's name, unique registration
3 number, and registry expiration date.

4 (m) A licensed authorized organization which is reporting conduct where there is a substantial
5 basis for believing that the conduct would constitute grounds for removal or refusal to list on the
6 registry shall make the report in writing to: Bingo Registry, Texas Lottery Commission, P.O. Box
7 16630, Austin, Texas 78761-6630.

8 (n) The provisions of the Texas Occupations Code §2001.313, related to the registry of bingo
9 workers, do not apply to an authorized organization that does not have a regular license to conduct
10 bingo who receives a temporary license to conduct bingo.

11 (o) If the Commission proposes to refuse to add or proposes to remove the individual from the
12 Registry of Approved Bingo Workers consistent with Texas Occupations Code §2001.313, the
13 Commission will give notice of the proposed action as provided by Government Code, Chapter
14 2001.

15 (p) An individual receiving notice that the Commission intends to refuse to add to or intends to
16 remove the individual from the Registry of Approved Bingo Workers may request a hearing.
17 Failure to submit a written request for a hearing within 30 calendar days of the date of the notice
18 will result in the denial of the application or removal of the registered worker from the registry.

19 (q) An individual who has been denied or removed from the registry because of a conviction for
20 an offense listed under Occupations Code §2001.105(b) will not be eligible to reapply to be listed.
21 An individual who has been denied or removed from the registry because of a disqualifying
22 criminal conviction not listed under Occupations Code §2001.105(b) may reapply to be listed no

1 earlier than five years after the commission of the offense, or as otherwise allowed under the
2 Commission's Rules.

3 (r) A provisional employee must:

4 (1) immediately stop working:

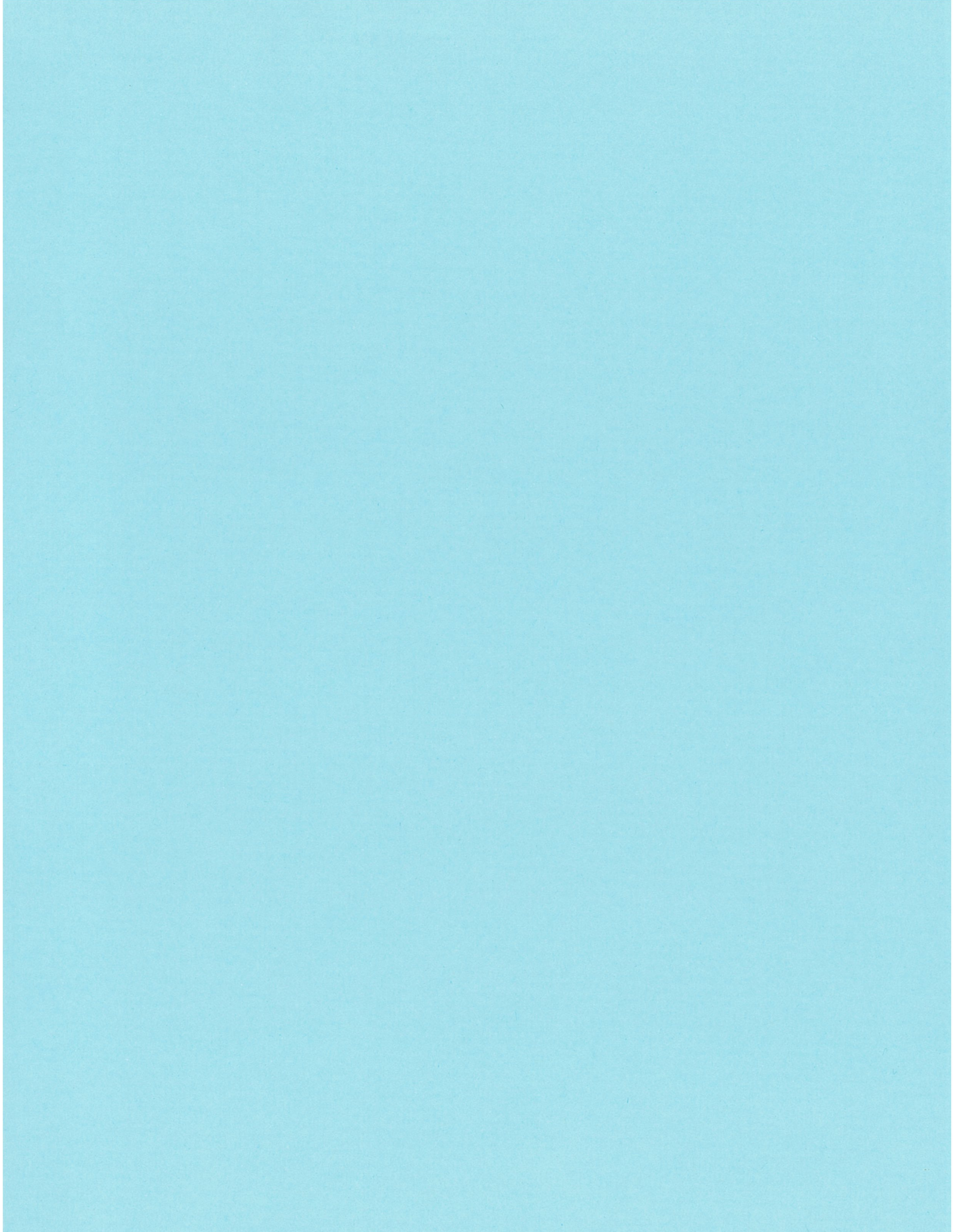
5 (A) after 14 days if the individual is not listed on the registry and is a resident of
6 this state.

7 (B) after 75 days if the individual is not listed on the registry, not a resident of this
8 state, and submitted a fingerprint card for a background investigation. If the fingerprint cards are
9 returned by the law enforcement agency as unclassifiable, the Commission will notify the
10 individual, and the individual may continue to be provisionally employed by submitting a written
11 request and new fingerprint cards within 14 days of the notification.

12 (C) if found to be ineligible on the basis of the background investigation.

13 (2) wear an identification card while on duty with the registry applicant's name,
14 "Provisional Employment" as the unique registration number, and the submission date of the
15 registry application as the expiration date.

16 (s) A licensed authorized organization who employs a provisional employee must maintain a copy
17 of the registry applicant's completed Texas Application for Registry of Approved Bingo Workers
18 form submitted to the Commission until the individual is listed on the registry or the licensed
19 authorized organization is notified that the individual is not eligible to be listed. Payment for the
20 employment of a provisional employee as outlined in subsection (a)(8) of this section is an
21 authorized bingo expense; however, payment for non-registered workers is not an authorized bingo
22 expense.



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

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

(12) [(13)] Pull-tab bingo tickets must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) - (h) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 13, 2018.

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Bob Biard

General Counsel

Texas Lottery Commission

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For further information, please call: (512) 344-5392



SUBCHAPTER D. LICENSING REQUIREMENTS

16 TAC §402.402

The Texas Lottery Commission (Commission) proposes amendments to 16 TAC §402.402 (Registry of Bingo Workers). The purpose of the proposed amendments is to (1) remove a requirement that a provisional employee of a licensed authorized organization (bingo conductor) must indicate the playing location(s) where they are provisionally employed on the Application for Registry of Approved Bingo Workers (Bingo Registry) form submitted to the Commission; and (2) extend the length of time a provisional employee who is not a resident of Texas may work without being listed on the Bingo Registry from 45 days to 75 days. A provisional employee is an individual who is employed by a bingo conductor as an operator, manager, cashier, usher, caller, or salesperson while awaiting the results of a criminal history background check, whether paid or not. Except during the time period allowed for provisional employees awaiting the result of a background check, all bingo workers must be listed on the Bingo Registry.

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

Alfonso D. Royal III, Director of the Charitable Bingo Operations Division, has determined that for each year of the first five years the proposed amendments will be in effect, the anticipated public benefit is to provide greater flexibility to out-of-state bingo worker applicants and their bingo conductor employers while awaiting the results of such an applicant's criminal history background check.

Pursuant to Texas Government Code §2001.0221, the Commission provides the following Government Growth Impact Statement for the proposed rule amendments. For each year of the first five years the proposed amendments will be in effect, Kathy Pyka, Controller, has determined the following:

- (1) The proposed amendments do not create or eliminate a government program.
- (2) Implementation of the proposed amendments does not require the creation of new employee positions or the elimination of existing employee positions.
- (3) Implementation of the proposed amendments does not require an increase or decrease in future legislative appropriations to the Commission.
- (4) The proposed amendments do not require an increase or decrease in fees paid to the Commission.
- (5) The proposed amendments do not create a new regulation.
- (6) The proposed amendments do not expand or limit an existing regulation.
- (7) The proposed amendments do not increase or decrease the number of individuals subject to the rule's applicability.
- (8) The proposed amendments do not positively or adversely affect this state's economy.

The Commission requests comments on the proposed amendments from any interested person. Comments may be submitted to Bob Biard, General Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630; by facsimile at (512) 344-5189; or by email at legal.input@lottery.state.tx.us. Comments must be received within 30 days after publication of this proposal in the *Texas Register* in order to be considered. The Commission also will hold a public hearing to receive comments on this proposal at 10:00 a.m. on May 9, 2018, at 611 E. 6th Street, Austin, Texas 78701.

The amendments are proposed under the Texas Occupations Code §2001.054, which authorizes the Commission to adopt rules to enforce and administer the Bingo Enabling Act; and Texas Government Code §467.102, which authorizes the Commission to adopt rules for the laws under the Commission's jurisdiction.

This proposal is intended to implement the Texas Occupations Code, Chapter 2001.

§402.402. Registry of Bingo Workers.

(a) - (q) (No change.)

(r) A provisional employee must:

[(1) indicate the playing location(s) where the individual is provisionally employed on the Texas Application for Registry of Approved Bingo Workers form submitted to the Commission.]

(1) [(2)] immediately stop working:

(A) after 14 days if the individual is not listed on the registry and is a resident of this state.

(B) after 75 [45] days if the individual is not listed on the registry, not a resident of this state, and submitted a fingerprint card for a background investigation. If the fingerprint cards are returned by the law enforcement agency as unclassifiable, the Commission will notify the individual, and the individual may continue to be provisionally employed by submitting a written request and new fingerprint cards within 14 days of the notification.

(C) if found to be ineligible on the basis of the background investigation.

(2) [(3)] wear an identification card while on duty with the registry applicant's name, "Provisional Employment" as the unique registration number, and the submission date of the registry application as the expiration date.

(s) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Bob Biard

General Counsel

Texas Lottery Commission

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For further information, please call: (512) 344-5392



TITLE 22. EXAMINING BOARDS

PART 9. TEXAS MEDICAL BOARD

CHAPTER 185. PHYSICIAN ASSISTANTS

22 TAC §185.7

The Texas Medical Board (Board) proposes an amendment to §185.7, concerning Temporary License.

The amendment deletes obsolete language referring to "surgeon assistants".

Scott Freshour, General Counsel for the Texas Medical Board, has determined that for each year of the first five years the section as proposed is in effect the public benefit anticipated as a result of enforcing this proposal will be to have rules that reflect contemporary terminology.

Mr. Freshour has also determined that for the first five-year period the rule is in effect, there will be no effect to individuals required to comply with the rule as proposed. There will be no effect on small businesses, micro businesses, or rural communities.

Pursuant to Government Code §2001.0221, the agency provides the following Government Growth Impact Statement for the proposed rules. For each year of the first five years the proposed amendments will be in effect, Mr. Freshour has determined the following:

(1) The proposed rule does not create or eliminate a government program.

(2) Implementation of the proposed rule does not require the creation of new employee positions or the elimination of existing employee positions.

(3) Implementation of the proposed rule does not require an increase or decrease in future legislative appropriations to the agency.

(4) The proposed rule does not require an increase or decrease in fees paid to the agency.

(5) The proposed rule does not create a new regulation.