



Recommendation for Action

File #: 19-2917, **Agenda Item #:** 19.

9/19/2019

Posting Language

Approve a resolution authorizing the City to continue to impose a bingo prize fee for the funds to which it is entitled under the State of Texas Occupations Code, Title 13, Subtitle A, Chapter 2001 and as authorized by previous Council Ordinance No. 830921-O

Lead Department

Controller's Office

Fiscal Note

In fiscal year 2018, the City's portion of these fees was \$443,570.

Prior Council Action:

September 21, 1983 - Council approved an ordinance 830921-O authorizing the collection of a gross receipts tax on bingo games authorized within the City limits.

For More Information:

Diana Thomas, Controller, 512-974-1166; Kim Euresi, Deputy Controller, 512-974-2232

Additional Backup Information:

In September 1983 as a part of the budget approval process, City Council passed Ordinance No. 830921-O which authorized the City to collect a gross receipts tax on the conduct of bingo games authorized within the City pursuant to Texas Revised Civil Statutes Article 179d. In 1993, the state law was changed from collecting a gross receipts tax to a fee on bingo prizes awarded, and any municipality that collected gross receipts taxes as of January 1, 1993 was entitled to a share of the bingo prize fee imposed by the act. This fee is currently collected by the Texas Lottery Commission and submitted to the City on an annual basis.

HB 914 of the 86th Texas Legislature further amended this law. In order for a municipality to continue to receive its portion of the bingo prize fees it must:

1. Have been entitled to receive the fee as of January 1, 2019,
2. Prior to November 1, 2019 conduct a vote to continue imposing the prize,
3. Notify the Texas Lottery Commission of that decision no later than November 1, 2019, and
4. Notify each licensed authorized organization within its jurisdiction of the continued imposition of the fee.

Further, rather than the fee being collected by the Texas Lottery Commission and submitted to the City on an annual basis, the licensed organizations will submit the funds directly to the City's Controller's Office on a quarterly basis.