

SUBJECT: Bingo card-minding devices

COMMITTEE: Licensing and Administrative Procedures — committee substitute recommended

VOTE: 9 ayes — Wilson, Kubiak, Goolsby, Haggerty, Hamric, D. Jones, Pickett, Torres, Yarbrough

0 nays

WITNESSES: For — Billy Clayton, Global Technology; Steven W. Hieronymus, Trend Gaming Systems; Fred Miccio

Against — None

On — Sue Cox, Texas Council on Problem Gambling; Phil Arnold

BACKGROUND : State-licensed nonprofit organizations can conduct bingo games upon approval of voters in the local political subdivision. Two types of bingo are authorized: traditional games, in which numbers or symbols on a card are matched with numbers or symbols chosen at random, and pull-tab or instant bingo tickets, which are opened to reveal immediately if a player has won.

In 1995, the 74th Legislature enacted HB 3021 by Kuempel and Seidlits to allow bingo players to use “card minding devices,” electronic or mechanical devices that allow players to play several cards at one time while the device keeps track of the called numbers on each card. No more than 30 percent of the gross bingo game sales at each bingo occasion can be from electronic or mechanical card minding devices.

DIGEST: CSHB 3371 would provide that card minding devices could be used by no more than 40 percent of the individuals attending a bingo event, based upon the average of the two most recent quarterly attendance reports submitted to the Texas Lottery Commission. This provision would not apply to system service providers who sell or supply automated bingo services. These providers could use bar codes on bingo paper for accounting purposes and would be required to purchase goods and services from licensed

manufacturers. The Lottery Commission would have to include a system service provider as a member of its bingo advisory committee.

CSHB 3371 would take effect October 1, 1997.

**SUPPORTERS
SAY:**

CSHB 3371 would ensure the cap on card minding devices limited the number of card minding terminals, not the amount of sales. A cap based on attendance would be more realistic and useful than the current cap based on profits.

CSHB 3371 also would allow all bingo halls to use card minding devices. The current 30 percent cap based on sales is so low that it prevents small bingo halls from using these devices. Charities that run bingo parlors have lost business because of the Texas lottery and should be able to use these devices to attract customers and enhance the entertainment value of bingo.

Card minding devices create excitement about bingo and would bring people back to bingo halls. Players using card minding devices are still required to actively play the game along with the rest of the bingo hall. These devices are in no way video lottery games and can help persons who are elderly or physically impaired monitor several bingo cards at once. CSHB 3371 would not increase gambling; it would simply change the method for calculating the number of card minding devices.

System service providers are an integral part of bingo in Texas, and CSHB 3371 would ensure this group was represented on the bingo advisory committee.

**OPPONENTS
SAY:**

CSHB 3371 would radically increase gambling in Texas bingo halls. Changing the cap on card minding devices would increase the number of machines and allow more people to gamble more quickly and extensively using more bingo cards.

The increased use of card minding machines would move bingo away from its intended purpose as a recreational game and further the proliferation of computer gambling.

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NOTES: The committee substitute would base attendance on the past two quarterly reports, added the provisions relating to system service providers, and changed the effective date of the bill from September 1, 1997 to October 1, 1997.