



City of League City, TX

300 West Walker
League City TX 77573

Text File

File Number: 19-0496

Agenda Date: 9/24/2019

Version: 1

Status: ATS Review

In Control: City Council

File Type: Agenda Item

Title

Consider and take action on a resolution approving the continued receipt of the share of bingo prize fee funds collected on charitable bingo activities that occur within the city limits of League City (Director of Finance)

..Background:

This proposed resolution will authorize the continued receipt of the share of bingo prize fee funds collected on charitable bingo activities that occur within the city limits of League City.

On August 26, 2019, the Texas Lottery Commission (TLC), Charitable Bingo Operations Division provided the City notification that pursuant to House Bill (HB) 914, enacted by the 86th Texas Legislature that in order to continue to receive a share of bingo prize fees after Jan. 1, 2020, the City Council must affirmatively vote to continue said collection and submit proof of that vote to the TLC by Nov. 1, 2019. Currently, the bingo prize fee funds are submitted each quarter to the TLC, which in turn remits a pro rata share of the funds to local governments at the end of each fiscal year.

Effective Jan. 1, 2020, H.B. 914 includes another change regarding the collection and remittance of prize fees. Local governments will no longer receive their bingo prize fee payments from the TLC at the end of the fiscal year; instead, the licensed organizations conducting bingo in the local jurisdiction will be responsible for sending eligible local governments 50% of the prize fees they collect on a quarterly basis.

The City will only continue to receive a share of the bingo prize fees collected after Jan. 1, 2020 if it meets the following requirements:

- (1) approve the continued receipt of the share of bingo prize fee funds by a majority vote;
- (2) notify the TLC of that decision no later than Nov. 1, 2019; and
- (3) notify each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.

If the City fails to meet the above noted requirements, the bingo organizations will keep that share for themselves to fund their charitable purposes. Currently, non-profit charitable organizations conducting bingo collect a 5% fee on prizes awarded.

The City collected \$24,058 of bingo funds in 2006 and \$12,824 in 2007. As the last bingo hall closed in 2007, the City has not collected any bingo funds since 2007. This resolution would apply to any future bingo operations within the city limits.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Verification Notice

- 4. Letter from Texas Lottery Commission
- 5. HB 914

CONTRACT ORIGINATION: N/A

FUNDING

Revenues received will be posted to General Fund Bingo Tax account 0100 40310.

Requires Budget Amendment to transfer from Account # _____ to Account # _____

NOT APPLICABLE

STRATEGIC PLANNING

Addresses Strategic Planning Critical Success Factor # _____ and Initiative # _____

NOT APPLICABLE