

EMERGENCY RULES

Emergency Rules include new rules, amendments to existing rules, and the repeals of existing rules. A state agency may adopt an emergency rule without prior notice or hearing if the agency finds that an imminent peril to the public health, safety, or welfare, or a requirement of state or federal law, requires adoption of a rule on fewer than 30 days' notice. An emergency rule may be effective for not longer than 120 days and may be renewed once for not longer than 60 days (Government Code, §2001.034).

TITLE 16. ECONOMIC REGULATION

PART 4. TEXAS DEPARTMENT OF LICENSING AND REGULATION

CHAPTER 140. TEXAS LOTTERY AND CHARITABLE BINGO

16 TAC §140.1, §140.2

The Texas Commission of Licensing and Regulation (Commission) adopts new rules on an emergency basis at 16 Texas Administrative Code (TAC), Chapter 140, §140.1 and §140.2, regarding the Texas Lottery and Charitable Bingo program. The effective date for these emergency rules is 20 days after filing.

EXPLANATION OF AND JUSTIFICATION FOR THE EMERGENCY RULE

The rules under 16 TAC, Chapter 140, implement Texas Government Code, Chapter 466, State Lottery; Texas Occupations Code, Chapter 51, Texas Department of Licensing and Regulation; and Chapter 2001, Bingo.

The emergency rules are necessary to implement Senate Bill (SB) 3070, 89th Legislature, Regular Session (2025), which transfers administration of the state lottery and the licensing and regulation of charitable bingo to the Texas Department of Licensing and Regulation (Department) on September 1, 2025. SB 3070 requires the Commission to establish a lottery advisory committee and a bingo advisory committee and requires both advisory committees to meet at least quarterly. SB 3070 requires the Commission, as soon as practicable after the effective date of the act, to appoint members to both advisory committees and adopt rules to govern the operations of the committees. The Commission finds that the requirements of SB 3070 to establish the advisory committees and to begin holding quarterly meetings of the advisory committees requires adoption of rules on fewer than 30 days' notice under Texas Government Code §2001.034(a)(1).

The emergency rules establish the member composition, appointment procedures, terms, and meeting requirements for the lottery advisory committee and bingo advisory committee. The emergency rules are necessary to ensure that when the transfer occurs on September 1, 2025, rules are in place to govern the advisory committees and members are appointed to the advisory committees, so the Department can administer the lottery and bingo programs in compliance with SB 3070 and operations can continue without interruption.

SECTION-BY-SECTION SUMMARY

The emergency rules add §140.1, Lottery Advisory Committee.

The emergency rules add §140.1(a), which ensures that words and terms used in the section are defined in the context of the relevant statutes.

The emergency rules add §140.1(b), which provides the membership composition of the advisory committee and the procedure for appointment of its members.

The emergency rules add §140.1(c), which provides eligibility requirements for advisory committee members, including requirements that any necessary licenses be issued by Texas and remain in good standing, that public members not have interests in lottery operations, that members meet criminal history standards, and that applicants for membership provide complete and accurate information.

The emergency rules add §140.1(d), which provides the term length for advisory committee members, the process for filling a vacancy, the process of appointing a presiding officer, the prohibition against compensation or reimbursement for serving as a member, and the process for removing a member.

The emergency rules add §140.1(e), which provides meeting requirements, including quarterly meetings, the number of members required for a quorum, majority voting, open meetings, and provisions relating to meetings held by videoconference.

The emergency rules add §140.1(f), which provides the duties of the advisory committee, including advising the commission and department, providing input on proposed lottery rules, reporting on committee activities, and briefing on advancements and challenges in the lottery industry.

The emergency rules add §140.1(g), which establishes the process by which public comments may be provided to the advisory committee in writing via email or orally at a public meeting of the advisory committee.

The emergency rules add §140.1(h), which clarifies that Texas Government Code, Chapter 2110, does not apply to the advisory committee.

The emergency rules add §140.2, Bingo Advisory Committee.

The emergency rules add §140.2(a), which ensures that words and terms used in the section are defined in the context of the relevant statutes.

The emergency rules add §140.2(b), which provides the membership composition of the advisory committee and the procedure for appointment of its members.

The emergency rules add §140.2(c), which provides eligibility requirements for advisory committee members, including requirements that any necessary licenses be issued by Texas and remain in good standing, that members not be delinquent in payment of prize fees, that public members not be associated with certain licensees, that members meet criminal history standards,

and that applicants for membership provide complete and accurate information.

The emergency rules add §140.2(d), which provides the term length for advisory committee members, the process for filling a vacancy, the process of appointing a presiding officer, the prohibition against compensation or reimbursement for serving as a member, and the process for removing a member.

The emergency rules add §140.2(e), which provides meeting requirements, including quarterly meetings, the number of members required for a quorum, majority voting, open meetings, and provisions relating to meetings held by videoconference.

The emergency rules add §140.2(f), which provides the duties of the advisory committee, including advising the commission and department, providing input on proposed bingo rules, reporting on committee activities, and briefing on advancements and challenges in the bingo industry.

The emergency rules add §140.2(g), which clarifies that Texas Government Code, Chapter 2110, does not apply to the advisory committee.

FUTURE RULEMAKING

Under Texas Government Code §2001.034, the emergency rule may be effective for 120 days and may be renewed once for an additional 60 days. The Commission may propose this or a similar rule under the normal rulemaking process and will consider any additional action necessary in the event unforeseen issues arise with the adopted section.

STATUTORY AUTHORITY

The emergency rules are adopted with abbreviated or no notice under Texas Government Code §2001.034(a).

The emergency rules are adopted under Texas Government Code, Chapter 466, and Texas Occupations Code, Chapters 51 and 2001, as amended by SB 3070, which authorize the Texas Commission of Licensing and Regulation, the Department's governing body, to adopt rules as necessary to implement these chapters and any other law establishing a program regulated by the Department.

The statutory provisions affected by the emergency rules are those set forth in Texas Government Code, Chapter 466, and Texas Occupations Code, Chapters 51 and 2001, as amended by SB 3070. No other statutes, articles, or codes are affected by the emergency rules.

The legislation that enacted the statutory authority under which the emergency rules are to be adopted is Senate Bill 3070, 89th Legislature, Regular Session (2025).

§140.1. Lottery Advisory Committee.

(a) Definitions. Unless the context clearly indicates otherwise, words and terms used in this section have the same meanings as used in Texas Government Code, Chapter 466, and Texas Occupations Code, Chapter 51.

(b) Membership.

(1) The Lottery Advisory Committee consists of nine members appointed by the presiding officer of the commission, with the commission's approval, as follows:

- (A) one member who represents the public;
- (B) one member who is a licensed sales agent;

(C) two members who represent interest groups with divergent viewpoints on the lottery and lottery operations;

(D) two members who represent entities associated with or benefiting from the lottery's contributions to this state;

(E) one member with experience in lottery law enforcement;

(F) one member with experience in lottery legal matters;

(G) one member with experience in lottery finance;

(2) In appointing advisory committee members, the presiding officer of the commission shall consider the geographical diversity of the members.

(c) Eligibility.

(1) If a license is required to hold any of the member positions identified in subsection (b), the license must be issued by the State of Texas and be in and remain in good standing for the balance of the term.

(2) A member representing the public may not be an individual who is:

(A) a sales agent or an applicant for a sales agent license;

(B) an employee or prospective employee of the department;

(C) a person required to be named in a license application;

(D) a lottery operator or prospective lottery operator;

(E) an employee of a lottery operator or prospective lottery operator, if the employee is or will be directly involved in lottery operations;

(F) a person who manufactures or distributes lottery equipment or supplies, or a representative of a person who manufactures or distributes lottery equipment or supplies offered to the lottery;

(G) a person who has submitted a written bid or proposal to the department in connection with the procurement of goods or services by the department;

(H) an employee or other person who works for or will work for a sales agent or an applicant for a sales agent license; or

(I) a person who proposes to enter into or who has a contract with the department to supply goods or services to the department.

(3) A member must meet all criminal history standards established by the department.

(4) An applicant for membership must provide complete and accurate information on the department's application form.

(d) Terms, Vacancies, and Removals.

(1) Members serve staggered six-year terms, with the terms of three members expiring on September 1 of each odd-numbered year.

(2) If a vacancy occurs during a member's term, the presiding officer of the commission, with the commission's approval, will appoint a replacement to fill the unexpired term.

(3) The presiding officer of the commission will appoint one of the advisory committee members to serve as the presiding officer of the advisory committee for a term of two years.

(4) Advisory committee members do not receive compensation or reimbursement for serving as a member.

(5) Advisory committee members serve at the pleasure of the commission. An advisory committee member may be removed from the advisory committee by the presiding officer of the commission, with the commission's approval, on any of the following grounds:

(A) the member does not have at the time of becoming a member of the advisory committee the qualifications required by the law or rule authorizing appointment of the member;

(B) the member does not maintain during service on the advisory committee the qualifications required by the law or rule authorizing appointment of the member;

(C) the member cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term;

(D) the member is absent from more than half of the regularly scheduled advisory committee meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the advisory committee; or

(E) the member is unfit to continue serving on the advisory committee.

(6) The validity of an action of the advisory committee is not affected by the fact that it is taken when a ground for removal of a member exists.

(c) Meetings.

(1) The advisory committee must meet quarterly or at the commission's or department's request.

(2) A quorum of the advisory committee is necessary to conduct official business. A quorum is five members.

(3) Advisory committee actions require a majority vote of those members present and voting.

(4) The presiding officer of the advisory committee may vote on any matter before the advisory committee.

(5) Each meeting of the advisory committee must be open to the public.

(6) The advisory committee may meet by telephone conference call, videoconference, or similar telecommunication method, provided that each portion of the meeting that is required to be open to the public shall be audible to the public and, in the case of a meeting held by videoconference, visible to the public. If a problem occurs that causes a meeting to no longer be visible or audible to the public as required under this subsection, the meeting must be recessed until the problem is resolved. If the problem is not resolved in six hours or less, the meeting must be adjourned. The face of each participant in a meeting held by videoconference, while that participant is speaking, must be clearly visible, and the participant's voice must be audible, to each other participant and, during the open portion of the meeting, to the members of the public. A meeting held by telephone conference call, videoconference, or other similar telecommunication method is not subject to the requirements of Texas Government Code §551.127(a-3), (b), (c), (e), (f), (h), (i), and (j).

(f) Duties. The advisory committee must:

(1) advise the commission and department on the needs and problems of this state's lottery industry;

(2) provide input on proposed lottery rules during development and before final adoption unless an emergency requires immediate action by the commission;

(3) report regularly to the commission and department on the advisory committee's activities;

(4) regularly brief the commission and department on advancements and challenges in this state's lottery industry; and

(5) perform other duties as determined by the commission or department.

(g) Public comments on issues the advisory committee considers may be provided by the following methods.

(1) Written comments may be submitted via email to board.comments@tdlr.texas.gov by noon on the first business day before the date of a meeting of the advisory committee. Comments timely received will be provided to the advisory committee members for their review before the meeting but will not be read publicly during the meeting.

(2) Oral comments may be provided to the advisory committee at a public meeting by submitting a request via email to board.comments@tdlr.texas.gov by noon on the first business day before the date of a meeting of the advisory committee. The request must include the commenter's name and telephone number, the name of any person the commenter represents, and the agenda item or specific topic the commenter will address. The department will respond to the request with an email providing a website link that will enable the commenter to join the meeting virtually. The commenter will be given up to three minutes during the meeting to provide oral comments to the advisory committee. The presiding officer of the advisory committee may reduce the time provided for public comments based on the number of requests received. Oral comments must be made live during the meeting. Showing or sharing an audio or video recording is not allowed.

(h) Texas Government Code, Chapter 2110, does not apply to the Lottery Advisory Committee.

§140.2. Bingo Advisory Committee.

(a) Definitions. Unless the context clearly indicates otherwise, words and terms used in this section have the same meanings as used in Texas Occupations Code, Chapters 51 and 2001.

(b) Membership.

(1) The Bingo Advisory Committee consists of nine members appointed by the presiding officer of the commission, with the commission's approval, representing a balance of interests including representatives of:

(A) the public;

(B) charities that operate bingo games; and

(C) commercial and charity lessors that participate in the bingo industry.

(2) The advisory committee must not be involved in committee member selection.

(c) Eligibility.

(1) If a license is required to hold any of the member positions identified in subsection (b), the license must be issued by the State of Texas and be in and remain in good standing for the balance of the term.

(2) A member must not represent a licensee that is delinquent in payment of any prize fees for which a final jeopardy determination has been made by the department.

(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.

(4) A member must meet the criminal history standards in Texas Occupations Code §§2001.105(b), 2001.154(a)(1), 2001.202(1), and 2001.207(2) and any additional criminal history standards established by the department.

(5) An applicant for membership must provide complete and accurate information on the department's application form.

(d) Terms, Vacancies, and Removals.

(1) Members serve staggered six-year terms, with the terms of three members expiring on September 1 of each odd-numbered year.

(2) If a vacancy occurs during a member's term, the presiding officer of the commission, with the commission's approval, will appoint a replacement to fill the unexpired term.

(3) The presiding officer of the commission will appoint one of the advisory committee members to serve as the presiding officer of the advisory committee for a term of two years.

(4) Advisory committee members do not receive compensation or reimbursement for serving as a member.

(5) Advisory committee members serve at the pleasure of the commission. An advisory committee member may be removed from the advisory committee by the presiding officer of the commission, with the commission's approval, on any of the following grounds:

(A) the member does not have at the time of becoming a member of the advisory committee the qualifications required by the law or rule authorizing appointment of the member;

(B) the member does not maintain during service on the advisory committee the qualifications required by the law or rule authorizing appointment of the member;

(C) the member cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term;

(D) the member is absent from more than half of the regularly scheduled advisory committee meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the advisory committee; or

(E) the member is unfit to continue serving on the advisory committee.

(6) The validity of an action of the advisory committee is not affected by the fact that it is taken when a ground for removal of a member exists.

(e) Meetings.

(1) The advisory committee must meet quarterly or at the commission's or department's request.

(2) A quorum of the advisory committee is necessary to conduct official business. A quorum is five members.

(3) Advisory committee actions require a majority vote of those members present and voting.

(4) The presiding officer of the advisory committee may vote on any matter before the advisory committee.

(5) Each meeting of the advisory committee must be open to the public.

(6) The advisory committee may meet by telephone conference call, videoconference, or similar telecommunication method, provided that each portion of the meeting that is required to be open to the public shall be audible to the public and, in the case of a meeting held by videoconference, visible to the public. If a problem occurs that causes a meeting to no longer be visible or audible to the public as required under this subsection, the meeting must be recessed until the problem is resolved. If the problem is not resolved in six hours or less, the meeting must be adjourned. The face of each participant in a meeting held by videoconference, while that participant is speaking, must be clearly visible, and the participant's voice must be audible, to each other participant and, during the open portion of the meeting, to the members of the public. A meeting held by telephone conference call, videoconference, or other similar telecommunication method is not subject to the requirements of Texas Government Code §551.127(a-3), (b), (c), (e), (f), (h), (i), and (j).

(f) Duties. The advisory committee must:

(1) advise the commission and department on the needs and problems of the state's bingo industry;

(2) provide input on rules involving bingo during their development and before final adoption unless an emergency requires immediate action by the commission;

(3) report regularly to the commission and department on the committee's activities;

(4) regularly brief the commission and department on advancements and challenges in this state's bingo industry; and

(5) perform other duties as determined by the commission or department.

(g) Texas Government Code, Chapter 2110, does not apply to the Bingo Advisory Committee.

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

Filed with the Office of the Secretary of State on August 22, 2025.

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For further information, please call: (512) 463-7750

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