

The Senate of The State of Texas



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OPINION COMMITTEE

Senator Eddie Lucio, Jr.

February 15, 2006

FILE # ML-44626-06
I.D. # 44626

The Honorable Greg Abbott
c/o Nancy Fuller, Director of Opinion Committee
Texas Office of the Attorney General
P.O. Box 12548
Austin, TX 78711-2548

RQ-0450-GA

RE: Request for Attorney General's Opinion to clarify the legal interpretation of provisions in Chapter 2001 of the Texas Occupations Code.

Dear General Abbott:

This is a request for an Attorney General's Opinion regarding the application and meaning of Chapter 2001 of the Texas Occupations Code ("Chapter 2001") in connection with the Texas Lottery Commission's duty to regulate the bingo industry in Texas. Specifically, I am requesting an opinion on whether Chapter 2001 allows for the issuance of a group license, and if so, what restrictions apply to owners.

The Bingo Enabling Act does not contain any language specific to the issuance of a license for a group of legal entities that receive a manufacturers or distributors license under the Act. Sec. 2001.002 (20) defines a person as "an individual, partnership, corporation, or other group". It is the use of the word "group" that has prompted this opinion request.

Based on this definitions, I would like submit the following two questions for consideration:

1. Does Sec.2001.002 (20) provide for a separate category for group licensing?

My understanding of this provision is that it describes the different forms of entity that may qualify as a person for a single license. By way of example, an LLC is not specifically mentioned, yet it could be another form of a group just as is a corporation or partnership. There is no place in the Bingo Enabling Act that would otherwise make a provision for a group (multiple legal entities) license, thus it is important to receive this opinion.



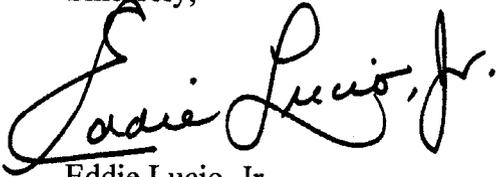
The Honorable Gregg Abbott
Texas Office of Attorney General
Opinion Request
February 15, 2006
Page 2

2. Should the opinion find that a multiple entity group license is allowed under the Bingo Enabling Act, it is then necessary to know whether this group license must all be under the same ownership (wholly owned and controlled)? In other words do all the various entities contained in or part of the licensed group have to be under the same ownership and control?

I should note that any opinion indicating that something less than 100 percent ownership and control would seem to be in conflict with Sec. 2001.2002 and Sec. 2001.207.

Thank you for your consideration of the above matter.

Sincerely,

A handwritten signature in black ink that reads "Eddie Lucio, Jr." in a cursive style.

Eddie Lucio, Jr.
State Senator