

BILL ANALYSIS

C.S.H.B. 1241

By: Homer

Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently a retailer bears the risk of loss for all lottery tickets received. In the case of stolen tickets in a confirmed status “with validations,” the retailer is charged the full amount of the pack, less the commission.

CSHB 1241 addresses this concern by adding to the list of criteria for which bond or insurance can be purchased. The list of criteria for which bond or insurance can be added also includes bankruptcy, theft, or loss of lottery tickets, supplies or equipment to the Act.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends Section 466.156, Government Code by adding “and” to include other types of criteria for which bond, insurance can be added. The substitute also adds loss of sales agent due to bankruptcy, theft, or loss of lottery tickets, supplies, or equipment to the section. The section also adds that all losses to the state resulting from the agent’s loss must be paid by the bond fund and the executive director is prohibited from charging an agent for a loss reimbursed from the bond fund.

According to Section 466.156(b) a sales agent who has not complied with the requirements in subsection (a), may be required to maintain insurance to protect the state’s interests.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute amends the caption to conform with changes made to the original bill.

The substitute removes Section 466.026, Government Code that required the Texas Lottery Commission to purchase and provide insurance coverage to sales agent and lottery vendors and replaces it with Section 466.156 (a) and (b), Government Code which simply adds losses of a sales agent due to bankruptcy, theft, or loss of lottery tickets, supplies, or equipment to an existing statute to provide bond or insurance to lottery agents and states that a sales agent loss must be paid from the bond fund and the agent may not be charged for a loss reimbursed from the bond fund. The substitute also authorizes a sales agent to maintain insurance if the sales agent has not complied with the requirements of subsection (a).

The substitute also removes SECTION 2 to require the Texas Lottery Commission to adopt rules and

procedures to provide insurance coverage and renumbers the effective date from SECTION 3 of the original bill to SECTION 2.