

By: Flores

H.B. No. 1215

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorizing the Texas Lottery Commission to operate and  
3 administer keno and to allow a license to be issued under the State  
4 Lottery Act to a location that possesses certain permits issued  
5 under the Alcoholic Beverage Code.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 466.015(c), Government Code, is amended  
8 to read as follows:

9 (c) The commission may adopt rules governing the  
10 establishment and operation of the lottery, including rules  
11 governing:

12 (1) the type of lottery games to be conducted,  
13 including rules for conducting the game of keno;

14 (2) the price of each ticket;

15 (3) the number of winning tickets and amount of the  
16 prize paid on each winning ticket;

17 (4) the frequency of the drawing or selection of a  
18 winning ticket;

19 (5) the number and types of locations at which a ticket  
20 may be sold;

21 (6) the method to be used in selling a ticket;

22 (7) the use of vending machines or electronic or  
23 mechanical devices of any kind, other than machines or devices that  
24 dispense currency or coins as prizes;

1           (8) the manner of paying a prize to the holder of a  
2 winning ticket;

3           (9) the investigation of possible violations of this  
4 chapter or any rule adopted under this chapter;

5           (10) the means of advertising to be used for the  
6 lottery;

7           (11) the qualifications of vendors of lottery services  
8 or equipment;

9           (12) the confidentiality of information relating to  
10 the operation of the lottery, including:

11                   (A) trade secrets;

12                   (B) security measures, systems, or procedures;

13                   (C) security reports;

14                   (D) bids or other information regarding the  
15 commission's contracts, if disclosure of the information would  
16 impair the commission's ability to contract for facilities, goods,  
17 or services on terms favorable to the commission;

18                   (E) personnel information unrelated to  
19 compensation, duties, qualifications, or responsibilities; and

20                   (F) information obtained by commission security  
21 officers or investigators;

22           (13) the development and availability of a model  
23 agreement governing the division of a prize among multiple  
24 purchasers of a winning ticket purchased through a group purchase  
25 or pooling arrangement;

26           (14) the criteria to be used in evaluating bids for  
27 contracts for lottery facilities, goods, and services; or

1           (15) any other matter necessary or desirable as  
2 determined by the commission, to promote and ensure:

3                   (A) the integrity, security, honesty, and  
4 fairness of the operation and administration of the lottery; and

5                   (B) the convenience of players and holders of  
6 winning tickets.

7           SECTION 2. Section 466.155(a), Government Code, is amended  
8 to read as follows:

9           (a) After a hearing, the director shall deny an application  
10 for a license or the commission shall suspend or revoke a license if  
11 the director or commission, as applicable, finds that the applicant  
12 or sales agent:

13                   (1) is an individual who:

14                           (A) has been convicted of a felony, criminal  
15 fraud, gambling or a gambling-related offense, or a misdemeanor  
16 involving moral turpitude, if less than 10 years has elapsed since  
17 the termination of the sentence, parole, mandatory supervision, or  
18 probation served for the offense;

19                           (B) is or has been a professional gambler;

20                           (C) is married to an individual:

21                                   (i) described in Paragraph (A) or (B); or

22                                   (ii) who is currently delinquent in the  
23 payment of any state tax;

24                           (D) is an officer or employee of the commission  
25 or a lottery operator; or

26                           (E) is a spouse, child, brother, sister, or  
27 parent residing as a member of the same household in the principal

1 place of residence of a person described by Paragraph (D);

2 (2) is not an individual, and an individual described  
3 in Subdivision (1):

4 (A) is an officer or director of the applicant or  
5 sales agent;

6 (B) holds more than 10 percent of the stock in the  
7 applicant or sales agent;

8 (C) holds an equitable interest greater than 10  
9 percent in the applicant or sales agent;

10 (D) is a creditor of the applicant or sales agent  
11 who holds more than 10 percent of the applicant's or sales agent's  
12 outstanding debt;

13 (E) is the owner or lessee of a business that the  
14 applicant or sales agent conducts or through which the applicant  
15 will conduct a ticket sales agency;

16 (F) shares or will share in the profits, other  
17 than stock dividends, of the applicant or sales agent; or

18 (G) participates in managing the affairs of the  
19 applicant or sales agent;

20 (3) has been finally determined to be:

21 (A) delinquent in the payment of a tax or other  
22 money collected by the comptroller, the Texas Workforce Commission,  
23 or the Texas Alcoholic Beverage Commission;

24 (B) in default on a loan made under Chapter 52,  
25 Education Code; or

26 (C) in default on a loan guaranteed under Chapter  
27 57, Education Code;

1 (4) is a person whose location for the sales agency is:

2 (A) a location licensed for games of bingo under  
3 Chapter 2001, Occupations Code; or

4 (B) on land that is owned by:

5 (i) this state; or

6 (ii) a political subdivision of this state  
7 and on which is located a public primary or secondary school, an  
8 institution of higher education, or an agency of the state; [~~or~~

9 [~~(C) a location for which a person holds a wine  
10 and beer retailer's permit, mixed beverage permit, mixed beverage  
11 late hours permit, private club registration permit, or private  
12 club late hours permit issued under Chapter 25, 28, 29, 32, or 33,  
13 Alcoholic Beverage Code;~~] or

14 (5) has violated this chapter or a rule adopted under  
15 this chapter.

16 SECTION 3. (a) The Texas Lottery Commission may adopt the  
17 initial rules to implement the change in law made by this Act in the  
18 manner provided by law for the adoption of emergency rules, and may  
19 do so without finding that an imminent peril to the public health,  
20 safety, or welfare requires adoption of a rule on fewer than 30  
21 days' notice.

22 (b) If the commission adopts a rule under Subsection (a) of  
23 this section, this section is considered to be a requirement of  
24 state law for adoption of a rule on fewer than 30 days' notice, for  
25 purposes of Section 2001.034(a)(1), Government Code.

26 SECTION 4. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2003.