

By: Homer

H.B. No. 1242

A BILL TO BE ENTITLED

AN ACT

relating to insurance for lottery sales agents and contractors to cover the theft or loss of certain lottery tickets.

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

SECTION 1. Subchapter B, Chapter 466, Government Code, is amended by adding Section 466.026 to read as follows:

Sec. 466.026. INSURANCE. (a) The commission shall provide insurance to cover the theft or other loss of scratch-off or other instant-win tickets that were in the possession of a sales agent or a person who contracts with the commission to produce, store, distribute, transport, or sell the tickets in this state. The commission may purchase insurance for this purpose or may self-insure against the loss.

(b) The commission may apply insurance under Subsection (a) to other tickets, supplies, or equipment as the commission determines appropriate.

(c) The commission may charge a fee to a sales agent or other person described by Subsection (a) in an amount necessary and proper to cover the cost of providing insurance under this section.

(d) The commission shall inform a sales agent or other person described by Subsection (a) about the coverage and the amount of the fee for the coverage.

(e) A sales agent or other person described by Subsection (a) is not liable to the commission for the theft or loss of

1 scratch-off or other instant-win tickets if the commission fails to
2 maintain insurance required by this section.

3 (f) Subsection (e) does not apply to a sales agent or other
4 person who fails to pay the fee for insurance under this section.

5 (g) Subsection (e) does not apply before March 1, 2004.
6 This subsection expires January 1, 2005.

7 SECTION 2. Not later than March 1, 2004, the Texas Lottery
8 Commission shall adopt the rules and procedures necessary to
9 purchase or otherwise provide insurance coverage under Section
10 466.026, Government Code, as added by this Act.

11 SECTION 3. This Act takes effect September 1, 2003.