

By: Jackson

S.B. No. 270

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Texas Lottery Commission.

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

SECTION 1. Section 466.014, Government Code, is amended by adding Subsection (d) to read as follows:

(d) A contract between the division and a lottery operator under Subsection (b) must contain a provision allowing the contract to be terminated without penalty if the division is abolished.

SECTION 2. Subchapter B, Chapter 466, Government Code, is amended by adding Section 466.026 to read as follows:

Sec. 466.026. COMPREHENSIVE BUSINESS PLAN. (a) The commission shall develop a comprehensive business plan to guide the commission's major initiatives. The plan must at a minimum include:

(1) a description of each commission program and project;

(2) key management information;

(3) accurate financial data; and

(4) a detailed financial management plan.

(b) The commission shall at least annually review the comprehensive business plan to assess the overall performance and value of each program and project.

SECTION 3. Subchapter C, Chapter 466, Government Code, is

1 amended by adding Section 466.1005 to read as follows:

2 Sec. 466.1005. PROCUREMENTS. (a) The commission may
3 purchase or lease facilities, goods, and services and make any
4 purchases, leases, or contracts necessary for carrying out the
5 purposes of this chapter.

6 (b) The commission shall review and must approve all major
7 procurements as provided by commission rule. The commission by
8 rule shall establish a procedure to determine what constitutes a
9 major procurement based on the cumulative value of a contract and
10 other relevant factors.

11 (c) The commission may delegate to the executive director
12 the authority to approve procurements other than major
13 procurements.

14 SECTION 4. Sections 466.101(a) and (b), Government Code,
15 are amended to read as follows:

16 (a) The commission and executive director may establish
17 procedures for the purchase or lease of facilities, goods, and
18 services and make any purchases, leases, or contracts that are
19 necessary for carrying out the purposes of this chapter. The
20 procedures must, as determined feasible and appropriate by the
21 commission and executive director, promote competition to the
22 maximum extent possible.

23 (b) In all procurement decisions, the commission and
24 executive director shall take into account the particularly
25 sensitive nature of the lottery and shall act to promote and ensure
26 integrity, security, honesty, and fairness in the operation and
27 administration of the lottery and the objective of producing

1 revenues for the state treasury.

2 SECTION 5. Section 466.158, Government Code, is amended by
3 adding Subsections (d), (e), and (f) to read as follows:

4 (d) In making a determination whether to renew a license,
5 the commission shall consider the compliance history of a license
6 holder. The commission shall adopt rules to govern the specific
7 areas of compliance history that may be considered in the renewal
8 determination.

9 (e) After an opportunity for a hearing, the commission may
10 deny an application for renewal of a license if the applicant's
11 compliance history reveals conduct that is inconsistent with this
12 chapter or the commission's rules adopted under this chapter in the
13 specific areas considered by the commission in accordance with the
14 rules adopted under Subsection (d).

15 (f) The commission by rule may adopt a system under which
16 licenses expire on various dates during the year. For the year in
17 which the license expiration date is changed, the commission shall
18 prorate license fees on a monthly basis so that each license holder
19 pays only that portion of the license fee that is allocable to the
20 number of months during which the license is valid. On renewal of
21 the license on the new expiration date, the total license renewal
22 fee is payable.

23 SECTION 6. Section 467.002, Government Code, is amended to
24 read as follows:

25 Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is
26 subject to Chapter 325 (Texas Sunset Act). Unless continued in
27 existence as provided by that chapter, the commission is abolished

1 and this chapter, Chapter 466, and Chapter 2001, Occupations Code,
2 expire [~~Act expires~~] September 1, 2015 [~~2003~~].

3 SECTION 7. Sections 467.021(a) and (b), Government Code,
4 are amended to read as follows:

5 (a) The commission is composed of five [~~three~~] members
6 appointed by the governor with the advice and consent of the senate.

7 (b) Appointments [~~In making appointments~~] to the commission
8 shall be made without [~~, the governor shall strive to achieve~~
9 ~~representation by all the population groups of the state with~~
10 regard to the [~~economic status, sex,~~] race, color, disability, sex,
11 religion, age, or national origin of the appointees [~~and~~
12 ~~ethnicity~~].

13 SECTION 8. Section 467.022, Government Code, is amended to
14 read as follows:

15 Sec. 467.022. TERM OF OFFICE. Members hold office for
16 staggered terms of six years with the terms of either one or two
17 members [~~member's term~~] expiring February 1 of each odd-numbered
18 year.

19 SECTION 9. Section 467.024, Government Code, is amended by
20 adding Subsections (c) and (d) to read as follows:

21 (c) A person may not be a commission employee employed in a
22 "bona fide executive, administrative, or professional capacity,"
23 as that phrase is used for purposes of establishing an exemption to
24 the overtime provisions of the federal Fair Labor Standards Act of
25 1938 (29 U.S.C. Section 201 et seq.), and its subsequent
26 amendments, if:

27 (1) the person is an officer, employee, or paid

1 consultant of a Texas trade association in the field of bingo or
2 lottery; or

3 (2) the person's spouse is an officer, manager, or paid
4 consultant of a Texas trade association in the field of bingo or
5 lottery.

6 (d) A person may not act as the general counsel to the
7 commission if the person is required to register as a lobbyist under
8 Chapter 305 because of the person's activities for compensation on
9 behalf of a profession related to the operation of the commission.

10 SECTION 10. Subchapter B, Chapter 467, Government Code, is
11 amended by adding Section 467.0255 to read as follows:

12 Sec. 467.0255. TRAINING. (a) A person who is appointed to
13 and qualifies for office as a member of the commission may not vote,
14 deliberate, or be counted as a member in attendance at a meeting of
15 the commission until the person completes a training program that
16 complies with this section.

17 (b) The training program must provide the person with
18 information regarding:

19 (1) the legislation that created the commission;

20 (2) the programs operated by the commission;

21 (3) the role and functions of the commission;

22 (4) the rules of the commission with an emphasis on the
23 rules that relate to disciplinary and investigatory authority;

24 (5) the current budget for the commission;

25 (6) the results of the most recent formal audit of the
26 commission;

27 (7) the requirements of:

- 1 (A) the open meetings law, Chapter 551;
2 (B) the public information law, Chapter 552;
3 (C) the administrative procedure law, Chapter
4 2001; and
5 (D) other laws relating to public officials,
6 including conflict-of-interest laws; and
7 (8) any applicable ethics policies adopted by the
8 commission or the Texas Ethics Commission.

9 (c) A person appointed to the commission is entitled to
10 reimbursement, as provided by the General Appropriations Act, for
11 the travel expenses incurred in attending the training program
12 regardless of whether the attendance at the program occurs before
13 or after the person qualifies for office.

14 SECTION 11. Sections 467.026(a) and (c), Government Code,
15 are amended to read as follows:

16 (a) It is a ground for removal from the [~~The governor may~~
17 ~~remove a~~] commission that a member [~~if the member~~]:

18 (1) does not have at the time of taking office
19 [~~appointment~~] the qualifications required by Sections 467.023 and
20 467.024 [~~for appointment to the commission~~];

21 (2) does not maintain during service on the commission
22 the qualifications required by Sections 467.023 and 467.024 [~~for~~
23 ~~appointment to the commission~~];

24 (3) is ineligible for membership under [~~violates a~~
25 ~~prohibition established by~~] Section 467.023, 467.024, or 467.025;

26 (4) cannot discharge the member's duties for a
27 substantial part of the member's term [~~for which the member is~~

1 ~~appointed~~] because of illness or disability; or

2 (5) is absent from more than half of the regularly
3 scheduled commission meetings that the member is eligible to attend
4 during a calendar year without an excuse approved [~~unless the~~
5 ~~absence is excused~~] by majority vote of the commission.

6 (c) If the executive director [~~presiding officer~~] has
7 knowledge that a potential ground for removal exists, the executive
8 director [~~presiding officer~~] shall notify the presiding officer of
9 the commission of the potential ground. The presiding officer
10 shall then notify the governor and the attorney general that a
11 potential ground for removal exists. If the potential ground for
12 removal involves the presiding officer, the executive director
13 shall notify the next highest ranking officer of the commission,
14 who shall then notify the governor and the attorney general that a
15 potential ground for removal exists.

16 SECTION 12. Subchapter B, Chapter 467, Government Code, is
17 amended by adding Sections 467.037-467.040 to read as follows:

18 Sec. 467.037. DIVISION OF RESPONSIBILITIES. The commission
19 shall develop and implement policies that clearly separate the
20 policymaking responsibilities of the commission and the management
21 responsibilities of the executive director and the staff of the
22 commission.

23 Sec. 467.038. EQUAL EMPLOYMENT OPPORTUNITY POLICY; REPORT.

24 (a) The executive director or the executive director's designee
25 shall prepare and maintain a written policy statement that
26 implements a program of equal employment opportunity to ensure that
27 all personnel decisions are made without regard to race, color,

1 disability, sex, religion, age, or national origin.

2 (b) The policy statement must include:

3 (1) personnel policies, including policies relating
4 to recruitment, evaluation, selection, training, and promotion of
5 personnel, that show the intent of the commission to avoid the
6 unlawful employment practices described by Chapter 21, Labor Code;
7 and

8 (2) an analysis of the extent to which the composition
9 of the commission's personnel is in accordance with state and
10 federal law and a description of reasonable methods to achieve
11 compliance with state and federal law.

12 (c) The policy statement must:

13 (1) be updated annually;

14 (2) be reviewed by the state Commission on Human
15 Rights for compliance with Subsection (b)(1); and

16 (3) be filed with the governor's office.

17 Sec. 467.039. REQUIREMENTS AND STANDARDS OF CONDUCT
18 INFORMATION. The executive director or the executive director's
19 designee shall provide to members of the commission and to
20 commission employees, as often as necessary, information regarding
21 the requirements for office or employment under this chapter,
22 including information regarding a person's responsibilities under
23 applicable laws relating to standards of conduct for state officers
24 or employees.

25 Sec. 467.040. STATE EMPLOYEE INCENTIVE PROGRAM
26 INFORMATION. The executive director or the executive director's
27 designee shall provide to commission employees information and

1 training on the benefits and methods of participation in the state
2 employee incentive program.

3 SECTION 13. Subchapter C, Chapter 467, Government Code, is
4 amended by adding Sections 467.109-467.112 to read as follows:

5 Sec. 467.109. TECHNOLOGY POLICY. The commission shall
6 develop and implement a policy requiring the executive director and
7 commission employees to research and propose appropriate
8 technological solutions to improve the commission's ability to
9 perform its functions. The technological solutions must:

10 (1) ensure that the public is able to easily find
11 information about the commission on the Internet;

12 (2) ensure that persons who want to use the
13 commission's services are able to:

14 (A) interact with the commission through the
15 Internet; and

16 (B) access any service that can be provided
17 effectively through the Internet; and

18 (3) be cost-effective and developed through the
19 commission's planning processes.

20 Sec. 467.110. NEGOTIATED RULEMAKING AND ALTERNATIVE
21 DISPUTE RESOLUTION POLICY. (a) The commission shall develop and
22 implement a policy to encourage the use of:

23 (1) negotiated rulemaking procedures under Chapter
24 2008 for the adoption of commission rules; and

25 (2) appropriate alternative dispute resolution
26 procedures under Chapter 2009 to assist in the resolution of
27 internal and external disputes under the commission's

1 jurisdiction.

2 (b) The commission's procedures relating to alternative
3 dispute resolution must conform, to the extent possible, to any
4 model guidelines issued by the State Office of Administrative
5 Hearings for the use of alternative dispute resolution by state
6 agencies.

7 (c) The commission shall designate a trained person to:

8 (1) coordinate the implementation of the policy
9 adopted under Subsection (a);

10 (2) serve as a resource for any training needed to
11 implement the procedures for negotiated rulemaking or alternative
12 dispute resolution; and

13 (3) collect data concerning the effectiveness of those
14 procedures, as implemented by the commission.

15 Sec. 467.111. PUBLIC PARTICIPATION. The commission shall
16 develop and implement policies that provide the public with a
17 reasonable opportunity to appear before the commission and to speak
18 on any issue under the jurisdiction of the commission.

19 Sec. 467.112. COMPLAINTS. (a) The commission shall
20 maintain a file on each written complaint filed with the commission
21 or a division of the commission. The file must include:

22 (1) the name of the person who filed the complaint;

23 (2) the date the complaint is received by the
24 commission or a division of the commission;

25 (3) the subject matter of the complaint;

26 (4) the name of each person contacted in relation to
27 the complaint;

1 (5) a summary of the results of the review or
2 investigation of the complaint; and

3 (6) an explanation of the reason the file was closed,
4 if the commission closed the file without taking action other than
5 to investigate the complaint.

6 (b) The commission shall provide to the person filing the
7 complaint and to each person who is a subject of the complaint a
8 copy of the commission's policies and procedures relating to
9 complaint investigation and resolution.

10 (c) The commission, at least quarterly until final
11 disposition of the complaint, shall notify the person filing the
12 complaint and each person who is a subject of the complaint of the
13 status of the investigation unless the notice would jeopardize an
14 undercover investigation.

15 (d) The commission shall publish procedures covering the
16 entire complaint process from submission to disposition.

17 (e) The commission by rule shall require an investigation
18 related to a complaint filed with the commission or a division of
19 the commission to be completed within a reasonable time.

20 (f) The commission shall analyze the complaints filed with
21 the board to identify any trends or issues related to certain
22 violations.

23 SECTION 14. Subchapter B, Chapter 2001, Occupations Code,
24 is amended by adding Section 2001.0555 to read as follows:

25 Sec. 2001.0555. COMPLIANCE MONITORING. The commission
26 shall adopt rules to govern the commission's monitoring of a
27 license holder to determine if the license holder is in compliance

1 with this chapter or rules adopted under this chapter. The rules
2 must at a minimum address audits and inspections and other
3 compliance and enforcement activities.

4 SECTION 15. Section 2001.057, Occupations Code, is amended
5 by adding Subsections (h) and (i) to read as follows:

6 (h) The committee shall annually develop a work plan
7 detailing the committee's objectives and the issues to be addressed
8 by the committee during the year. The plan must:

9 (1) assess trends in the charitable bingo industry;

10 (2) review bingo rules to determine whether changes,
11 additions, or deletions are needed; and

12 (3) address other issues as determined by the
13 commission.

14 (i) The committee shall perform a review at the end of each
15 year to:

16 (1) assess the committee's accomplishments during the
17 year;

18 (2) identify opportunities for improving the
19 commission's regulation of bingo; and

20 (3) develop specific recommendations for commission
21 action.

22 SECTION 16. Section 2001.101, Occupations Code, is amended
23 to read as follows:

24 Sec. 2001.101. AUTHORIZED ORGANIZATION. (a) The
25 commission may license a person who is an authorized organization
26 eligible for a license to conduct bingo if the person has been in
27 existence for the time required by commission rule to ensure the

1 continuity and bona fide nature of the organization and is:

2 (1) a religious society [~~that has existed in this~~
3 ~~state for at least eight years~~];

4 (2) a nonprofit organization:

5 (A) whose predominant activities are for the
6 support of medical research or treatment programs; and

7 (B) that [~~for at least three years~~]:

8 (i) has [~~must have had~~] a governing body or
9 officers elected by a vote of members or by a vote of delegates
10 elected by the members; or

11 (ii) is [~~must have been~~] affiliated with a
12 state or national organization organized to perform the same
13 purposes as the nonprofit organization;

14 (3) a fraternal organization;

15 (4) a veterans organization; or

16 (5) a volunteer fire department.

17 (b) A fraternal organization:

18 (1) [~~must have been organized in this state for at~~
19 ~~least three years~~];

20 [~~(2)~~] must have [~~had during the three-year period~~] a
21 bona fide membership actively and continuously engaged as an
22 organization in furthering its authorized purposes; and

23 (2) [~~(3)~~] may not have authorized a person on behalf of
24 its membership, governing body, or officers to support or oppose a
25 particular candidate for public office by:

26 (A) making political speeches;

27 (B) passing out cards or other political

1 literature;

2 (C) writing letters;

3 (D) signing or circulating petitions;

4 (E) making campaign contributions; or

5 (F) soliciting votes.

6 SECTION 17. Section 2001.103(d), Occupations Code, is
7 amended to read as follows:

8 (d) An organization operating under a temporary license is
9 subject to:

10 (1) the taxes and fees authorized or imposed by this
11 chapter; ~~and~~

12 (2) the standard licensing oversight of the
13 commission, including audits and inspections; and

14 (3) the other provisions of this chapter to the extent
15 they can be made applicable.

16 SECTION 18. Section 2001.152, Occupations Code, is amended
17 to read as follows:

18 Sec. 2001.152. ELIGIBILITY. ~~[(a)]~~ The commission may
19 issue a commercial lessor license ~~[only]~~ to ~~+~~

20 ~~[(1) a licensed authorized organization that owns or~~
21 ~~leases a premises where bingo is or will be conducted or an~~
22 ~~association of licensed authorized organizations that jointly own~~
23 ~~or lease premises where bingo is or will be conducted and that the~~
24 ~~organization or association leases or offers for lease to one or~~
25 ~~more other authorized organizations for the conduct of bingo,~~

26 ~~[(2)]~~ a person who leases premises on which bingo is
27 conducted to not more than seven ~~[a single]~~ licensed authorized

1 organizations [~~organization that subleases or will sublease the~~
2 ~~premises to one or more other licensed authorized organizations for~~
3 ~~the conduct of bingo; or~~

4 ~~(3) a person who leases premises for the total~~
5 ~~control and exclusive use of only one licensed authorized~~
6 ~~organization as that organization's primary business office].~~

7 ~~(b) Notwithstanding Subsection (a), a person who was a~~
8 ~~licensed commercial lessor on June 10, 1989, whose license has been~~
9 ~~in effect continuously since that date, and who is otherwise~~
10 ~~eligible for the license may renew the license.]~~

11 SECTION 19. Subchapter G, Chapter 2001, Occupations Code,
12 is amended by adding Section 2001.3015 to read as follows:

13 Sec. 2001.3015. LICENSING RULES. The commission by rule
14 shall:

15 (1) establish comprehensive qualifications for a
16 person to be licensed or the person's license to be renewed under
17 this chapter;

18 (2) develop a standard license renewal process, from
19 submission to completion, for each license issued under this
20 chapter to ensure that a license holder continues to meet the
21 eligibility requirements provided by this chapter and commission
22 rule; and

23 (3) establish standards of conduct for a person
24 licensed under this chapter.

25 SECTION 20. Section 2001.351, Occupations Code, is amended
26 to read as follows:

27 Sec. 2001.351. DENIAL OF LICENSE. (a) The commission may

1 deny an application for a license or renewal of a license issued
2 under this chapter for a cause that would permit or require the
3 suspension or revocation of a license issued under this chapter.

4 (b) In making a determination whether to renew a license,
5 the commission shall consider the compliance history of a license
6 holder. The commission shall adopt rules to govern the specific
7 areas of compliance history that may be considered in the renewal
8 determination.

9 (c) After an opportunity for a hearing, the commission may
10 deny an application for renewal of a license if the applicant's
11 compliance history reveals conduct that is inconsistent with this
12 chapter or the commission's rules adopted under this chapter in the
13 specific areas considered by the commission in accordance with the
14 rules adopted under Subsection (b).

15 SECTION 21. Section 2001.355, Occupations Code, is amended
16 by amending Subsection (b) and adding Subsection (d) to read as
17 follows:

18 (b) Before temporarily suspending a license, the director
19 of bingo operations must follow any prehearing rules adopted by the
20 commission to determine if the license holder's continued operation
21 may constitute:

22 (1) an immediate threat to the health, safety, morals,
23 or welfare of the public; or

24 (2) a financial loss to this state, which includes a
25 license holder's failure to remit taxes under Section 2001.501 or
26 prize fee payments under Section 2001.502 to the commission as
27 required by those sections.

1 (d) The commission shall adopt rules to govern the temporary
2 suspension of a license under this section.

3 SECTION 22. Section 2001.406(a), Occupations Code, is
4 amended to read as follows:

5 (a) The rent charged by a licensed commercial lessor to a
6 licensed authorized organization to conduct bingo may not exceed
7 \$600 for each bingo occasion conducted on the lessor's premises
8 ~~[unless the organization subleases the premises to one or more~~
9 ~~other licensed authorized organizations to conduct bingo, in which~~
10 ~~event the rent charged by the licensed commercial lessor may not~~
11 ~~exceed \$600 for each day].~~

12 SECTION 23. Section 2001.451, Occupations Code, is amended
13 by adding Subsections (g) and (h) to read as follows:

14 (g) The commission shall adopt rules to allow a licensed
15 authorized organization to retain a maximum percentage of the
16 organization's gross receipts as operating capital in the
17 organization's bingo account. The gross receipts retained may not
18 exceed an amount established by commission rule.

19 (h) The commission by rule shall require a licensed
20 authorized organization to maintain a positive cash flow in the
21 organization's bingo account. The commission shall sanction an
22 organization that fails to comply with the rule.

23 SECTION 24. Sections 2001.457(a), (b), and (d), Occupations
24 Code, are amended to read as follows:

25 (a) Before the end of each quarter, a licensed authorized
26 organization shall disburse for charitable purposes all ~~[an amount~~
27 ~~not less than 35 percent]~~ of the organization's adjusted gross

1 receipts from the preceding quarter, except for the amount that may
 2 be retained as provided by Section 2001.451(g) [~~less the amount of~~
 3 ~~authorized expenses not to exceed six percent of the gross~~
 4 ~~receipts~~].

5 (b) The commission shall sanction [~~if~~] a licensed
 6 authorized organization that fails to make [~~meet~~] the disbursement
 7 required by Subsection (a) or to make any disbursement for
 8 charitable purposes [~~requirements of this section~~] for a quarter.
 9 The [~~the~~] commission in applying appropriate sanctions may
 10 consider whether, taking into account the amount required to be
 11 distributed during that quarter and the three preceding quarters
 12 and the charitable distributions for each of those quarters, the
 13 organization has distributed a total amount sufficient to have met
 14 the disbursement requirements [~~35 percent requirement~~] for that
 15 quarter and the three preceding quarters combined.

16 (d) In this section, "adjusted [~~+~~
 17 [~~(1) "Adjusted~~] gross receipts" means gross receipts

18 less the total [~~amount of cost of goods purchased by an organization~~
 19 ~~and~~] prizes paid in the preceding quarter [~~+~~] and the licensed
 20 authorized organization's reasonable and necessary expenses as
 21 provided by Sections 2001.458 and 2001.459 and by commission rule

22 [~~(2) "Cost of goods purchased by an organization"~~
 23 ~~means the cost of bingo paper or pull-tab bingo tickets purchased by~~
 24 ~~the organization~~].

25 SECTION 25. Section 2001.458, Occupations Code, is amended
 26 by adding Subsection (c) to read as follows:

27 (c) In accordance with this section and Section 2001.459,

1 the commission by rule shall define a licensed authorized
2 organization's reasonable and necessary expenses under this
3 chapter.

4 SECTION 26. Subchapter M, Chapter 2001, Occupations Code,
5 is amended by adding Section 2001.6015 to read as follows:

6 Sec. 2001.6015. ADMINISTRATIVE PENALTY SCHEDULE; TIMELINE.

7 (a) The commission by rule shall adopt an administrative penalty
8 schedule to define and summarize violations of this chapter or
9 commission rules adopted under this chapter to ensure the amounts
10 of penalties imposed are appropriate to the violation.

11 (b) The administrative penalty schedule must:

12 (1) allow deviations from the schedule for mitigating
13 circumstances clearly established by the commission;

14 (2) include a list of the most common violations and
15 the penalty amounts assessed for those violations; and

16 (3) provide the penalty amount in accordance with the
17 seriousness or frequency of each type of violation.

18 (c) The commission by rule shall establish a timeline for
19 the resolution of a violation of this chapter or commission rules
20 adopted under this chapter. The rules must include:

21 (1) a designated period for a person licensed under
22 this chapter to provide proof of corrective measures taken as
23 required by the commission for a violation of this chapter or
24 commission rules; and

25 (2) an approach and a designated period for the
26 commission to subsequently monitor a person found to have committed
27 a significant violation of this chapter or commission rules.

1 SECTION 27. Section 466.003, Government Code, and Section
2 2001.057(b), Occupations Code, are repealed.

3 SECTION 28. (a) Not later than January 1, 2004, the Texas
4 Lottery Commission shall:

5 (1) adopt the rules and procedures required by Section
6 466.1005, Government Code, as added by this Act; and

7 (2) adopt the rules required by:

8 (A) Section 466.158(d), Government Code, as
9 added by this Act;

10 (B) Section 2001.3015, Occupations Code, as
11 added by this Act; and

12 (C) Sections 2001.101, 2001.355, 2001.451, and
13 2001.458, Occupations Code, as amended by this Act.

14 (b) Not later than September 1, 2004, the Texas Lottery
15 Commission shall:

16 (1) adopt the comprehensive business plan required by
17 Section 466.026, Government Code, as added by this Act;

18 (2) adopt the rules required by Section 2001.0555,
19 Occupations Code, as added by this Act; and

20 (3) adopt the administrative penalty schedule and
21 timeline required by Section 2001.6015, Occupations Code, as added
22 by this Act.

23 SECTION 29. (a) The changes in law made by this Act in the
24 prohibitions or qualifications applying to a member of the Texas
25 Lottery Commission do not affect the entitlement of a member
26 serving on the Texas Lottery Commission immediately before
27 September 1, 2003, to continue to serve and function as a member of

1 the Texas Lottery Commission for the remainder of the member's
2 term. Those changes in law apply only to a member appointed on or
3 after September 1, 2003.

4 (b) Promptly after this Act takes effect, the governor shall
5 appoint two additional members to the Texas Lottery Commission. In
6 appointing those members, the governor shall appoint one person to
7 a term expiring February 1, 2007, and one to a term expiring
8 February 1, 2009.

9 (c) The change in law made by this Act to Chapter 467,
10 Government Code, relating to the investigation of a complaint
11 applies only to a complaint filed with the Texas Lottery Commission
12 on or after September 1, 2003. A complaint filed with the
13 commission or a division of the commission before September 1,
14 2003, is governed by the law as it existed immediately before that
15 date, and the former law is continued in effect for that purpose.

16 (d) The change in law made by this Act requiring the Texas
17 Lottery Commission to approve a procurement applies only to a
18 procurement or a contract for a procurement made on or after the
19 effective date of this Act. A procurement or procurement contract
20 made before the effective date of this Act is governed by the law in
21 effect when the procurement or contract was made, and the former law
22 is continued in effect for that purpose.

23 (e) The changes in law made by this Act governing
24 eligibility of a person for a license apply only to the issuance or
25 renewal of a license by the Texas Lottery Commission under Chapter
26 466, Government Code, as amended by this Act, or Chapter 2001,
27 Occupations Code, as amended by this Act, on or after the effective

1 date of this Act. A license issued by the Texas Lottery Commission
2 under either of those laws before the effective date of this Act is
3 governed by the applicable licensing requirements in effect when
4 the license was last issued or renewed until the license expires or
5 is renewed as provided by Chapter 466, Government Code, as amended
6 by this Act, or Chapter 2001, Occupations Code, as amended by this
7 Act.

8 (f) The change in law made by this Act to Section 2001.457,
9 Occupations Code, applies to the charitable disbursements made by a
10 licensed authorized organization beginning with disbursements for
11 the second quarter of 2004. A charitable disbursement made by a
12 licensed authorized organization for a quarter before the second
13 quarter of 2004 is governed by the law in effect immediately before
14 the effective date of this Act, and the former law is continued in
15 effect for that purpose.

16 SECTION 30. This Act takes effect September 1, 2003.