

By: Homer

H.B. No. 396

A BILL TO BE ENTITLED

AN ACT

relating to protecting the state from losses incurred by a lottery sales agent.

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

SECTION 1. Section 466.156, Government Code, is amended to read as follows:

Sec. 466.156. BOND; INSURANCE. (a) Each sales agent shall post security to protect the state from possible losses, including losses of a sales agent that result from bankruptcy, theft, or loss of lottery tickets, supplies, or equipment. The security may be provided through a cash bond, surety bond, letter of credit, certificate of deposit, or other security approved by the executive director, including the contribution of cash to a pooled bond fund established by the executive director, or through a combination of those measures ~~[to protect the state from possible losses]~~. The amount of the security shall be determined by the executive director and must reflect the possible losses to the state from the operation of the sales agent. The total amount retained in a pooled bond fund established under this subsection may not exceed \$5 million. The executive director shall reimburse the state from the bond fund for losses not otherwise covered by insurance or other security that result from a sales agent's loss covered by this section. The executive director may not charge a sales agent for a loss reimbursed from the bond fund.

1           (b) The executive director may [~~also~~] require a sales agent  
2 to maintain insurance [~~if necessary~~] to protect the interests of  
3 the state if the sales agent has not complied with the requirements  
4 of Subsection (a).

5           SECTION 2. The change in law made by this Act does not apply  
6 to a loss incurred by a lottery sales agent before the effective  
7 date of this Act.

8           SECTION 3. This Act takes effect November 1, 2005.