

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3343 by Uresti (Relating to establishing internet sales of lottery tickets.), **As Introduced**

Based on information provided by the Texas Lottery Commission, it is assumed the availability of lottery games via the internet would result in increased sales. However, neither that agency nor the Comptroller of Public Accounts provided an estimated revenue impact to the state. If annual lottery revenues were to increase by 2 to 10 percent, the gain to the Foundation School Fund would be \$20 million to \$100 million per year.

The bill would add a new section to Chapter 466 of the Government Code to authorize the Texas Lottery Commission to sell lottery tickets by use of computer terminals, through the Internet, or other electronic devices. The bill would require the Texas Lottery Commission to establish rules and create a method or system to implement the provisions of the bill no later than January 1, 2006.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2005.

Based on the analysis of the Texas Lottery Commission, it is assumed the agency would require 4 additional full-time-equivalent positions to accommodate the administration, monitoring, regulation, and transaction activity related to internet lottery sales. Personnel costs are estimated to be \$169,308 each year with associated employee benefits costs of \$50,352 each year. Additional operating costs associated with implementing the bill are estimated to be \$47,975 in fiscal year 2006 and \$7,702 each year thereafter.

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

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