LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 18, 2005

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

IN RE: **SB405** by Jackson, Mike (Relating to the continuation and functions of the Texas Lottery Commission.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB405, Committee Report 1st House, Substituted: a negative impact of ($11,160,000) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	($5,394,000)
2007	($5,766,000)
2008	($5,859,000)
2009	($5,952,000)
2010	($6,045,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from FOUNDATION SCHOOL FUND 193	Probable Revenue Gain/(Loss) from LOTTERY ACCT 5025
2006	($5,394,000)	($406,000)
2007	($5,766,000)	($434,000)
2008	($5,859,000)	($441,000)
2009	($5,952,000)	($448,000)
2010	($6,045,000)	($455,000)

Fiscal Analysis

The bill would continue the Texas Lottery Commission until September 1, 2017.

The bill would amend Section 467.021, Government Code, to increase the number of appointed commissioners from three to five.

The bill would require all games operated by the Texas Lottery Commission to generate as revenue to the state an amount that is not less than 25 percent of the total amount wagered.

The bill would take effect on September 1, 2005.

Methodology

By requiring all current lottery games to generate at least 25 percent to the state, some instant ticket games that have a prize in excess of 70 percent would be affected. Based on information provided by

the Comptroller's Office, it is estimated sales from these games would decline, reducing revenue to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:
LBB Staff: JOB, LB, TG