

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**February 28, 2005**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

**IN RE: SB442** by Hinojosa (Relating to certain claims and civil actions against sales agents.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB442, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>LOTTERY ACCT</i> 5025	Change in Number of State Employees from FY 2005
2006	(\$398,085)	7.0
2007	(\$355,630)	7.0
2008	(\$355,630)	7.0
2009	(\$355,630)	7.0
2010	(\$355,630)	7.0

**Fiscal Analysis**

The bill would amend Subchapter D, Chapter 466, Government Code, by adding Section 466.161, to authorize a person to bring before the Texas Lottery Commission a claim against a sales agent based on or related to the fairness, conduct, or management of a lottery game authorized by Chapter 466 and entitle the person to receive a determination from the commission on the claim.

The bill would require the Texas Lottery Commission to conduct a proceeding to consider the claim, and require the issuance of a written determination not later than the 60th day after the date the proceeding is concluded.

The bill would prevent a person from filing a civil action seeking the recovery of damages or injunctive relief from a sales agent for an action based on or related to the fairness, conduct, or management of a lottery game authorized by this chapter unless the person has first participated in this process.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house. If the bill does not receive a two-thirds majority vote of all of the members in each house, the bill would take effect on September 1, 2005.

### **Methodology**

Based on the analysis of the Texas Lottery Commission, it is assumed duties related to conducting proceedings to consider claims against sales agents and issuing written determinations on the claims would require two Attorney IV positions (\$47,820/year each), one Legal Assistant III position (\$31,068/year), one Accounts Examiner III position (\$29,232/year), one Accounts Examiner IV position (\$32,988/year), one Program Specialist II position (\$35,100/year), and one Administrative Assistant III position (\$25,932/year). Employee benefits costs associated with the seven additional full-time equivalent positions are estimated to be \$74,338 each year.

It is assumed that costs for office equipment and consumable supplies for the new staff positions would be \$42,000 in fiscal year 2006 and \$2,100 for each subsequent year. It is also assumed that office lease expenses for the new staff positions would cost \$27,741 each year and that new telephone equipment costs for the additional staff would be \$2,555 in fiscal year 2006, and that telephone utility expenses would be \$1,491 each year.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 362 Texas Lottery Commission

**LBB Staff:** JOB, SR, MW, TG, KJG