

Amend **HB 3350** (Senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) The comptroller of public accounts, with the assistance of the Texas Lottery Commission, the Department of Information Resources, and the Department of Public Safety, shall conduct a study on the feasibility and viability of establishing an Internet lottery game program through the Texas Lottery Commission. The study must include an examination of the following matters regarding Internet lottery game transactions:

(1) the experience of other jurisdictions that have sold lottery tickets through the Internet;

(2) the security of those transactions;

(3) means of verifying the age of purchasers of lottery tickets;

(4) procedures for the sale of lottery tickets;

(5) means of verifying that all aspects of an Internet lottery ticket purchase occur within the State of Texas and of prohibiting interstate lottery transactions through the Internet;

(6) means of payment for lottery ticket purchases;

(7) procedures for prize claims and ticket validation;

(8) the potential impact on current lottery sales and sales agents;

(9) the capability of an Internet lottery game system to interface with the current lottery operator's computer systems;

(10) the ability of the Texas Lottery Commission to develop and operate an internal system to sell lottery tickets or pay lottery prizes directly through the Internet;

(11) the availability of persons in the private sector capable of providing an Internet lottery game system;

(12) the potential fiscal impact on the foundation school fund;

(13) compliance with all applicable state and federal laws; and

(14) any other matter the comptroller determines appropriate after consultation with the Texas Lottery Commission.

(b) Not later than January 1, 2009, the comptroller shall

report the results of the study conducted under this section to:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the speaker of the house of representatives; and
- (4) the Texas Lottery Commission.

(c) This section expires January 1, 2010.

SECTION _____. (a) The Texas Lottery Commission and the comptroller of public accounts jointly shall conduct a study on the feasibility of and benefits and costs to this state of assessing a prize fee in the amount of five percent of the amount of a lottery prize that exceeds \$600. The study shall consider whether dedication of the revenue from the prize fee to TEXAS grants awarded under Subchapter M, Chapter 56, Education Code, would be an appropriate use of the revenue to enable this state to provide TEXAS grants to eligible students. The Texas Higher Education Coordinating Board shall provide the commission and the comptroller on request with information relating to the possible dedication of prize fee revenue to TEXAS grants.

(b) Not later than January 1, 2009, the Texas Lottery Commission shall report the results of the study conducted under this section to:

- (1) the governor;
- (2) the lieutenant governor; and
- (3) the speaker of the house of representatives.

(c) This section expires January 1, 2010.