

BILL ANALYSIS

H.B. 3350
By: Geren
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Lottery Commission (commission) is funded from two distinct funding sources. The operation and administration of the state lottery is funded from the GR Dedicated Lottery Account. Charitable Bingo is funded from General Revenue. Presently, the Commission's bingo indirect overhead and administrative expenses are expensed to lottery strategies identified in the General Appropriations Bill and paid from the proceeds of lottery sales, or the GR Dedicated Lottery Account, as opposed to being expensed to bingo strategies and paid from the General Revenue Fund. Examples of bingo indirect overhead costs are support costs for internal audit, human resources, financial services, information resources, media relations, governmental affairs, and legal services. Examples of bingo administrative expenses are defined as direct administrative support costs such as building lease expenses and computer rentals.

To provide clarity regarding this funding mechanism, the commission included a rider request in its FY 2008-2009 Legislative Appropriations Request to provide for the funding of certain bingo indirect overhead costs and administrative expenses through the sale of lottery tickets.

H.B. 3350 would clarify the authority for money in the State Lottery Account to be used to pay for costs incurred in the administration of the entire commission, including the regulation of bingo. The bill further clarifies the State Lottery Account may be used for the payment of fees paid to a lottery operator.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3350 authorizes the state lottery account to be used for the payment of costs incurred in the operation and administration of the commission, instead of lottery, including any fees paid to a lottery operator, instead of fees received by a lottery operator.

EFFECTIVE DATE

September 1, 2007.