

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 16, 2007**

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

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

**IN RE: HB2739** by Quintanilla (Relating to the sale of lottery tickets at a location at which a person holds an alcoholic beverage permit.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2739, As Engrossed: a positive impact of \$26,055,000 through the biennium ending August 31, 2009.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$11,843,000
2009	\$14,212,000
2010	\$14,354,000
2011	\$14,498,000
2012	\$14,643,000

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

<b>Fiscal Year</b>	<b>Probable Revenue Gain from FOUNDATION SCHOOL FUND 193</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND (Unclaimed Prizes) 1</b>
2008	\$10,966,000	\$877,000
2009	\$13,159,000	\$1,053,000
2010	\$13,291,000	\$1,063,000
2011	\$13,424,000	\$1,074,000
2012	\$13,558,000	\$1,085,000

**Fiscal Analysis**

The bill would amend the Government code by allowing the sale of lottery tickets in locations that hold an alcoholic beverage permit. The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or would otherwise take effect on September 1, 2007.

**Methodology**

Based on the analysis of the Comptroller of Public Accounts (CPA), the bill would result in a five year net revenue gain of \$64,398,000 to the Foundation School Fund and \$5,152,000 to the General Revenue Account.

Based on information provided by the CPA, this analysis assumes that the increased revenue to the Foundation School Fund would equal total gross sales from these new retailers minus prize payouts, retailer bonuses as required by current law, and administrative expenses incurred by the Texas Lottery Commission, which are subject to the appropriations process. Increased revenue to the General Revenue Account is based on historical CPA information regarding the proportion of winning tickets that have gone unclaimed.

Based on the analysis of the Texas Lottery Commission, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 362 Texas Lottery Commission, 458 Alcoholic Beverage Commission

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