

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

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

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

IN RE: SB1751 by West, Royce (Relating to the authority of the Texas Lottery Commission to establish an Internet lottery game program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1751, As Introduced: a positive impact of \$26,600,000 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$9,200,000
2009	\$17,400,000
2010	\$24,400,000
2011	\$26,200,000
2012	\$26,700,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>FOUNDATION SCHOOL FUND</i> 193
2008	\$9,200,000
2009	\$17,400,000
2010	\$24,400,000
2011	\$26,200,000
2012	\$26,700,000

Fiscal Analysis

The bill would amend the Government Code by requiring the Texas Lottery Commission (TLC) to establish and internet lottery game program. The bill would require TLC to adopt rules related to the provisions of the bill no later than November 1, 2007.

The bill would require TLC to select a private internet agent to operate a payment option system for the program. The bill would require TLC, by rule, to develop a procedure for verifying that a person is at least 18 years old before being allowed to establish an online lottery account and purchase lottery tickets through the program. TLC would also be authorized, by rule, to establish limitations on the amount or number of monthly purchases through any individual online lottery account. TLC or TLC's private internet agent must approve all individual lottery account applications and TLC must develop a method by which an individual with an account may purchase tickets online by using a public or private computer terminal.

It is estimated that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2007.

Methodology

Based on information provided by TLC, it is assumed that the availability of lottery games via the internet could result in increased sales. The Comptroller's Office estimated the revenue gain to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 362 Texas Lottery Commission, 405 Department of Public Safety, 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, KJG, MW, TGI