By: Geren   H.B. No. 3350

A BILL TO BE ENTITLED

1 AN ACT

2 relating to payment of costs incurred in the operation and

3 administration of the Texas Lottery Commission.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 466.355(b), Government Code, is amended

6 to read as follows:

7 (b) Money in the state lottery account may be used only for

8 the following purposes and shall be distributed as follows:

9 (1) the payment of prizes to the holders of winning

10 tickets;

11 (2) the payment of costs incurred in the operation and

12 administration of the commission [lottery], including any fees paid

13 to [received by] a lottery operator, provided that the costs

14 incurred in a fiscal biennium may not exceed an amount equal to 12

15 percent of the gross revenue accruing from the sale of tickets in

16 that biennium;

17 (3) the establishment of a pooled bond fund, lottery

18 prize reserve fund, unclaimed prize fund, and prize payment

19 account; and

20 (4) the balance, after creation of a reserve

21 sufficient to pay the amounts needed or estimated to be needed under

22 Subdivisions (1) through (3), to be transferred to the foundation

23 school fund, on or before the 15th day of each month.

24 SECTION 2. This Act takes effect September 1, 2007.

80R10292 JPL-F   1

FLOOR AMENDMENT NO. __1__

1   Amend H.B. No. 3350 (senate committee printing) by adding the
2   following appropriately numbered SECTIONS to the bill and
3   renumbering subsequent SECTIONS of the bill accordingly:
4   SECTION ___. (a) The comptroller of public accounts, with
5   the assistance of the Texas Lottery Commission, the Department of
6   Information Resources, and the Department of Public Safety, shall
7   conduct a study on the feasibility and viability of establishing an
8   Internet lottery game program through the Texas Lottery Commission.
9   The study must include an examination of the following matters
10   regarding Internet lottery game transactions:
11   (1)   the experience of other jurisdictions that have
12   sold lottery tickets through the Internet;
13   (2)   the security of those transactions;
14   (3)   means of verifying the age of purchasers of
15   lottery tickets;
16   (4)   procedures for the sale of lottery tickets;
17   (5)   means of verifying that all aspects of an Internet
18   lottery ticket purchase occur within the State of Texas and of
19   prohibiting interstate lottery transactions through the Internet;
20   (6)   means of payment for lottery ticket purchases;
21   (7)   procedures for prize claims and ticket validation;
22   (8)   the potential impact on current lottery sales and
23   sales agents;
24   (9)   the capability of an Internet lottery game system
25   to interface with the current lottery operator's computer systems;
26   (10)   the ability of the Texas Lottery Commission to
27   develop and operate an internal system to sell lottery tickets or
28   pay lottery prizes directly through the Internet;
29   (11)   the availability of persons in the private sector

1   capable of providing an Internet lottery game system;

2   (12)   the potential fiscal impact on the foundation

3   school fund;

4   (13)   compliance with all applicable state and federal

5   laws; and

6   (14)   any other matter the comptroller determines

7   appropriate after consultation with the Texas Lottery Commission.

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

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

10   (1)   the governor;

11   (2)   the lieutenant governor;

12   (3)   the speaker of the house of representatives; and

13   (4)   the Texas Lottery Commission.

14   (c)   This section expires January 1, 2010.

15   SECTION ___.   (a)   The Texas Lottery Commission and the

16   comptroller of public accounts jointly shall conduct a study on the

17   feasibility of and benefits and costs to this state of assessing a

18   prize fee in the amount of five percent of the amount of a lottery

19   prize that exceeds $600.   The study shall consider whether

20   dedication of the revenue from the prize fee to TEXAS grants awarded

21   under Subchapter M, Chapter 56, Education Code, would be an

22   appropriate use of the revenue to enable this state to provide TEXAS

23   grants to eligible students.   The Texas Higher Education

24   Coordinating Board shall provide the commission and the comptroller

25   on request with information relating to the possible dedication of

26   prize fee revenue to TEXAS grants.

27   (b)   Not later than January 1, 2009, the Texas Lottery

28   Commission shall report the results of the study conducted under

29   this section to:

30   (1)   the governor;

31   (2)   the lieutenant governor; and

1   (3)   the speaker of the house of representatives.

2   (c)   This section expires January 1, 2010.

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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

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

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

IN RE: HB3350 by Geren (Relating to payment of costs incurred in the operation and administration of the Texas Lottery Commission.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 362 Texas Lottery Commission
LBB Staff: JOB, KJG, JRO, TGl

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB3350 by Geren (Relating to payment of costs incurred in the operation and administration of the Texas Lottery Commission.), **As Introduced**

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No fiscal implication to the State is anticipated.

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 362 Texas Lottery Commission
LBB Staff: JOB, JRO, TGl