

House Bill 3350
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 466.355(b), Government Code, is amended to read as follows:

(b) Money in the state lottery account may be used only for the following purposes and shall be distributed as follows:

- (1) the payment of prizes to the holders of winning tickets;
- (2) the payment of costs incurred in the operation and administration of the commission [~~lottery~~], including any fees paid to [~~received by~~] a lottery operator, provided that the costs incurred in a fiscal biennium may not exceed an amount equal to 12 percent of the gross revenue accruing from the sale of tickets in that biennium;
- (3) the establishment of a pooled bond fund, lottery prize reserve fund, unclaimed prize fund, and prize payment account; and
- (4) the balance, after creation of a reserve sufficient to pay the amounts needed or estimated to be needed under Subdivisions (1) through (3), to be transferred to the foundation school fund, on or before the 15th day of each month.

No equivalent provision.

SENATE VERSION

Same as House version.

CONFERENCE

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

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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

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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.

No equivalent provision.

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;

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- (2) the lieutenant governor; and
- (3) the speaker of the house of representatives.
- (c) This section expires January 1, 2010.

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

Same as House version.