

BILL ANALYSIS

C.S.H.J.R. 37
By: Raymond
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, the balance of revenue from the state lottery account is deposited in the foundation school fund after the payment of prizes, operation and administrative costs, and establishment of a pooled bond fund, lottery prize reserve fund, unclaimed prize fund, prize payment account, and balance after the creation of reserve sufficient to pay the amounts needed under statute. While the constitution does not designate the funds from the lottery as general revenue funds, the designation of lottery funds to the foundation school fund is a statutory requirement. An amendment could provide constitutional protection to the designation of lottery funds for public school purposes.

C.S.H.J.R. 37 proposes an amendment to the Texas Constitution to dedicate net revenue from the state lottery to certain public school purposes.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.J.R. 37 proposes an amendment to the Texas Constitution to require all money received by Texas from the operation of lotteries, other than amounts paid for lottery prizes and administrative costs, to be deposited in the state treasury. The resolution dedicates the money to and authorizes the money to be expended only for the enrichment of the educational programs of the public primary and secondary schools and only for items that directly benefit classroom teaching, including teacher compensation and the acquisition of textbooks and educational supplies, materials, equipment, and services.

C.S.H.J.R. 37 prohibits an advertisement or promotion sponsored by Texas or a holder of a license issued by Texas and related to the operation of an authorized lottery from encouraging or attempting to influence a person to purchase a lottery ticket or number for the purpose of supporting or providing additional funds to public primary or secondary schools. The resolution sets forth the required language for the ballot.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 3, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.J.R. 37 removes a provision in the original requiring the net revenue of the Texas lottery dedicated to certain public school purposes and appropriated each fiscal biennium to result in an equal reduction in the amount of general revenue funds that would otherwise have been allocated for public school purposes.