

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 15, 2009

TO: Honorable Edmund Kuempel, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB357 by Quintanilla (Relating to the sale of lottery tickets at a location at which a person holds an alcoholic beverage permit.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB357, As Introduced: a positive impact of \$14,098,000 through the biennium ending August 31, 2011.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$5,964,000
2011	\$8,134,000
2012	\$8,521,000
2013	\$8,650,000
2014	\$8,706,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund (Unclaimed Lottery Prizes) 1	Probable Revenue Gain/(Loss) from Foundation School Fund 193
2010	\$423,000	\$5,541,000
2011	\$589,000	\$7,545,000
2012	\$617,000	\$7,904,000
2013	\$626,000	\$8,024,000
2014	\$630,000	\$8,076,000

Fiscal Analysis

The bill would amend Chapter 466 of the Government Code, regarding the state lottery.

The bill would remove a restriction in current law and allow the sale of lottery tickets in locations that hold certain permits to sell alcoholic beverages for consumption on the premises.

The bill would take effect immediately if it receives a two-thirds vote of the members of each house. Otherwise, it would take effect on September 1, 2009.

Methodology

In lottery states where lottery tickets may be sold in bars, an average of 2.1 percent of the lottery retail licenses were in locations permitted to sell alcoholic beverages for consumption on site. Based on the experience in other states, bars have a lower per-establishment sale of lottery tickets, on average, than other locations. Estimates were made on the number of new sales, the proportion of winning tickets that would go unclaimed, and the proportion of new sales that would have been purchased elsewhere if not sold in bars. It is assumed implementation would be fully complete by fiscal 2012.

Local Government Impact

No significant 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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