

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**March 30, 2009**

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

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

**IN RE: HB1299** by Turner, Chris (Relating to the fund for veterans' assistance and the creation of a lottery game to benefit the fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1299, As Introduced: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Veterans' Assistance Fund</i> <b>368</b>	Probable Savings/(Cost) from <i>Veterans' Assistance Fund</i> <b>368</b>
2010	\$5,511,000	(\$158,740)
2011	\$9,342,000	(\$142,690)
2012	\$8,637,000	(\$142,690)
2013	\$8,883,000	(\$142,690)
2014	\$8,081,000	(\$142,690)

**Fiscal Analysis**

The bill would amend Chapter 466 of the Government Code to direct the Texas Lottery Commission (TLC) to create and operate a new instant-ticket lottery game, from which the net revenue would be deposited into the Fund for Veterans' Assistance 0368. TLC would have to begin selling tickets for this game no later than March 2, 2010.

The bill would amend Chapter 434 of the Government Code to allow net revenue from the new lottery game to be transferred to the Fund 0368.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-

thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009.

### **Methodology**

The dollar amount of sales for current instant ticket games, the share transferred to the state, and the average net revenue for an instant ticket lottery game in Texas were calculated. It was assumed that the game created pursuant to this bill would cost no more to develop and advertise than any new instant ticket game. The share of gross sales revenue transferred to the state was assumed equal to the average of current instant ticket games, but the proposed game would be expected to initially increase gross sales slightly more than the average new game because this new game would have greater visibility, being promoted by veterans' groups and TLC. The estimated change of sales for future fiscal years was based on overall lottery ticket sales estimates, which reflect population growth, lottery purchase trends, and inflation.

Because TLC would not have to start selling tickets for this game until March 2, 2010, the fiscal 2010 estimates are lower than they would be if the game were to start immediately in fiscal 2010.

Based on the analysis of the Veterans Commission, it is assumed the agency would require an additional 2 FTEs at a cost of \$101,688 in salaries and wages for each fiscal year and \$7,700 in travel each fiscal year out of the Veteran's Assistance Fund No. 368. Employee benefits costs associated with the 2 additional FTEs are estimated to be \$29,052 each year (28.57% of annual salary). In addition, the agency indicates that one-time equipment costs of \$16,050 in fiscal year 2010 would be required for furniture, telephones, and other equipment and an ongoing cost of \$4,250 for the remaining fiscal years out of the Veteran's Assistance Fund No. 368.

### **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, 403 Veterans Commission

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