

By: Thompson

H.B. No. 1955

A BILL TO BE ENTITLED

1 AN ACT
2 relating to contracting with a lottery operator by the Texas
3 Lottery Commission.

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

5 SECTION 1. The heading to Section 466.014, Government Code,
6 is amended to read as follows:

7 Sec. 466.014. POWERS AND DUTIES OF COMMISSION AND EXECUTIVE
8 DIRECTOR; LOTTERY OPERATOR.

9 SECTION 2. Section 466.014, Government Code, is amended by
10 amending Subsection (b) and adding Subsections (d) and (e) to read
11 as follows:

12 (b) The executive director may contract with or employ a
13 person to perform a function, activity, or service in connection
14 with the operation of the lottery as prescribed by the executive
15 director. A person with whom the executive director contracts to
16 operate a lottery must be eligible for a sales agent license under
17 Section 466.155, except that when applying Section
18 466.155(a)(2)(A) to the lottery operator, Section
19 466.155(a)(1)(D)(ii) does not apply.

20 (d) Notwithstanding any other law, the executive director
21 may contract with a lottery operator to act as a sales retailer or
22 license a lottery operator as a sales agent under terms,
23 conditions, and rates and at locations approved by the executive
24 director.

1 (e) This section does not authorize a lottery operator to
2 sell a lottery ticket through the Internet.

3 SECTION 3. Section 466.155(a), Government Code, is amended
4 to read as follows:

5 (a) After a hearing, the director shall deny an application
6 for a license or the commission shall suspend or revoke a license if
7 the director or commission, as applicable, finds that the applicant
8 or sales agent:

9 (1) is an individual who:

10 (A) has been convicted of a felony, criminal
11 fraud, gambling or a gambling-related offense, or a misdemeanor
12 involving moral turpitude, if less than 10 years has elapsed since
13 the termination of the sentence, parole, mandatory supervision, or
14 probation served for the offense;

15 (B) is or has been a professional gambler;

16 (C) is married to an individual:

17 (i) described in Paragraph (A) or (B); or

18 (ii) who is currently delinquent in the
19 payment of any state tax;

20 (D) is an officer or employee of:

21 (i) the commission; or

22 (ii) a lottery operator; or

23 (E) is a spouse, child, brother, sister, or
24 parent residing as a member of the same household in the principal
25 place of residence of a person described by Paragraph (D);

26 (2) is not an individual, and an individual described
27 in Subdivision (1):

1 (A) is an officer or director of the applicant or
2 sales agent;

3 (B) holds more than 10 percent of the stock in the
4 applicant or sales agent;

5 (C) holds an equitable interest greater than 10
6 percent in the applicant or sales agent;

7 (D) is a creditor of the applicant or sales agent
8 who holds more than 10 percent of the applicant's or sales agent's
9 outstanding debt;

10 (E) is the owner or lessee of a business that the
11 applicant or sales agent conducts or through which the applicant
12 will conduct a ticket sales agency;

13 (F) shares or will share in the profits, other
14 than stock dividends, of the applicant or sales agent; or

15 (G) participates in managing the affairs of the
16 applicant or sales agent;

17 (3) has been finally determined to be:

18 (A) delinquent in the payment of a tax or other
19 money collected by the comptroller, the Texas Workforce Commission,
20 or the Texas Alcoholic Beverage Commission;

21 (B) in default on a loan made under Chapter 52,
22 Education Code; or

23 (C) in default on a loan guaranteed under Chapter
24 57, Education Code;

25 (4) is a person whose location for the sales agency is:

26 (A) a location licensed for games of bingo under
27 Chapter 2001, Occupations Code;

- 1 (B) on land that is owned by:
- 2 (i) this state; or
- 3 (ii) a political subdivision of this state
- 4 and on which is located a public primary or secondary school, an
- 5 institution of higher education, or an agency of the state; or
- 6 (C) a location for which a person holds a wine and
- 7 beer retailer's permit, mixed beverage permit, mixed beverage late
- 8 hours permit, private club registration permit, or private club
- 9 late hours permit issued under Chapter 25, 28, 29, 32, or 33,
- 10 Alcoholic Beverage Code; or
- 11 (5) has violated this chapter or a rule adopted under
- 12 this chapter.

13 SECTION 4. This Act takes effect immediately if it receives

14 a vote of two-thirds of all the members elected to each house, as

15 provided by Section 39, Article III, Texas Constitution. If this

16 Act does not receive the vote necessary for immediate effect, this

17 Act takes effect September 1, 2011.