

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 4, 2011

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB1955 by Thompson (Relating to contracting with a lottery operator by the Texas Lottery Commission.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1955, As Engrossed: a positive impact of \$2,390,000 through the biennium ending August 31, 2013.

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
2012	\$351,000
2013	\$2,039,000
2014	\$3,240,000
2015	\$3,780,000
2016	\$4,050,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Foundation School Fund</i> 193
2012	\$351,000
2013	\$2,039,000
2014	\$3,240,000
2015	\$3,780,000
2016	\$4,050,000

Fiscal Analysis

The bill would amend Chapter 466 of the Government Code to authorize the executive director of the Texas Lottery Commission (TLC) to contract with a lottery operator to act as a lottery sales retailer or license a lottery operator as a sales agent under terms, conditions, and rates and at locations approved by the executive director.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2011.

Methodology

Based on the information provided by the TLC and the Comptroller of Public Accounts (CPA), it is assumed that authorizing the agency to contract with the lottery operator to act as a sales agent or licensed retailer would facilitate the implementation of additional lottery sales locations in Texas. Based on the analysis of the CPA, using data provided by the TLC on retailer requests, information on ramp-up sales, and estimates of projected retailer interest in the proposed change, the increase in sales locations under the provisions of the bill would result in increased revenue to the state in the amounts shown in the table above.

Based on the analysis of TLC, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

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