

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

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 Introduced**

The bill would result in an indeterminate revenue increase to the State due to an anticipated increase in Lottery sales.

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.

Based on the information provided by TLC, it is assumed 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 TLC, it is assumed new sales locations would be added each year on a staggered basis, increasing to an estimated 339 additional locations by the end of fiscal year 2016, which would result in increased Lottery sales and revenue to the state beginning in fiscal year 2012. Depending on the number of additional Lottery retail locations and the volume of sales generated at the new locations, it is assumed the provisions of the bill would result in an indeterminate revenue gain to the state from increased Lottery sales.

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

LBB Staff: JOB, AG, MW, RAN, TG