

Amend **HB 2197** on third reading as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter B, Chapter 466, Government Code, is amended by adding Section 466.029 to read as follows:

Sec. 466.029. TEXAS DERBY GAME. (a) The commission shall operate an instant-ticket lottery game with a theme based on a Texas Derby race described by Section 9A.001, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes).

(b) The commission shall transfer the net revenue from the lottery game established under Subsection (a) to the Texas Derby escrow purse fund established under Section 9A.003, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes).

SECTION \_\_\_\_\_. Section 466.355(b), Government Code, is amended to read as follows:

(b) Money in the state lottery account may be used only for the following purposes and shall be distributed as follows:

(1) the payment of prizes to the holders of winning tickets;

(2) the payment of costs incurred in the operation and administration of the lottery, including any fees received by a lottery operator, provided that the costs incurred in a fiscal biennium may not exceed an amount equal to 12 percent of the gross revenue accruing from the sale of tickets in that biennium;

(3) the establishment of a pooled bond fund, lottery prize reserve fund, unclaimed prize fund, and prize payment account; and

(4) the balance, after creation of a reserve sufficient to pay the amounts needed or estimated to be needed under Subdivisions (1) through (3), to be transferred on or before the 15th day of each month as follows:

(A) the portion of the balance attributable to the lottery game operated under Section 466.027 to the fund for veterans' assistance established by Section 434.017; ~~and~~

(B) the portion of the balance attributable to the lottery game operated under Section 466.029 to the Texas Racing Commission as provided by Section 466.029; and

(C) the remainder to the foundation school fund.

(2) Strike the SECTION of the bill amending Section 466.408(b), Government Code (as added by the Herrero amendment on second reading), and substitute the following:

SECTION \_\_\_\_\_. Section 466.408(b), Government Code, is amended to read as follows:

(b) If a claim is not made for prize money on or before the 180th day after the date on which the winner was selected, the prize money shall be used in the following order of priority:

(1) subject to legislative appropriation, not more than \$20 million in prize money each year may be deposited to [~~or appropriated from~~] the [~~Texas~~] Department of State Health Services state-owned multicategorical teaching hospital account, which is an account in the general revenue fund, or appropriated from that account to provide indigent health care services as specified in Chapter 61, Health and Safety Code;

(2) not more than \$5 million in prize money each year may be appropriated to the Health and Human Services Commission and shall be used to support the provision of inpatient hospital services in hospitals located in the 15 counties that comprise the Texas-Mexico border area, with payment for those services to be not less than the amount established under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) cost reimbursement methodology for the hospital providing the services;

(3) not more than [~~the remaining amount, not to exceed~~] \$5 million in prize money in each state fiscal year less any amount deposited in the fund in that year attributable to the lottery game operated under Section 466.027, shall be deposited to the fund for veterans' assistance; [~~and~~]

(4) the remaining amount, not to exceed \$5 million in prize money in each state fiscal year less any amount deposited in the fund in that year attributable to the lottery game operated under Section 466.029, shall be transferred to the Texas Derby escrow purse fund; and

(5) all prize money subject to this section and not appropriated or deposited in accordance with Subdivision (1), (2), (3), or (4) [~~from the Texas Department of Health state-owned~~]

~~multicategorical teaching hospital account, not appropriated to the Health and Human Services Commission for the purpose specified in Subdivision (2), and not deposited under Subdivision (3),] shall be deposited to the credit of the foundation school ~~[in the general revenue] fund [and may be appropriated for any purpose as determined by the legislature, including the provision of indigent health care services as specified in Chapter 61, Health and Safety Code].~~~~

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. (a) Section 466.355, Government Code, as amended by this Act, applies only to a transfer from the state lottery account made on or after the effective date of this Act.

(b) The Texas Lottery Commission shall establish and begin selling tickets to the lottery game as required by Section 466.029, Government Code, as added by this Act, not later than January 1, 2014.