

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 8, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2197** by Anchia (Relating to the continuation and functions of the Texas Lottery Commission; providing penalties; imposing and changing fees.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2197, As Engrossed: a positive impact of \$290,054 through the biennium ending August 31, 2015.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	\$145,027
2015	\$145,027
2016	\$145,027
2017	\$145,027
2018	\$145,027

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

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i></b> <b>1</b>	<b>Probable Revenue Gain/(Loss) from <i>Foundation School Fund</i></b> <b>193</b>
2014	(\$43,521,973)	\$43,667,000
2015	(\$43,724,973)	\$43,870,000
2016	(\$43,960,973)	\$44,106,000
2017	(\$44,303,973)	\$44,449,000
2018	(\$44,740,973)	\$44,886,000

## **Fiscal Analysis**

The bill would amend the Government Code and the Occupations Code relating to the continuation and functions of the Texas Lottery Commission, provide penalties, and impose fees.

The bill would require that a ticket that contains a number of words, as determined by the Lottery Commission, in a language other than English, must include a disclosure in that language.

The bill would amend Section 466.408 of the Government Code to require that all unclaimed prize money subject to this section that is not deposited or appropriated to the Department of State Health Services State-owned Multicategorical Teaching Hospital Account, the Health and Human Services Commission, or to the Fund for Veterans Assistance be deposited to the credit of the Foundation School Fund.

The bill would amend the Government Code to create a Legislative Review Committee to study the process of winding up the state lottery. The committee shall make its initial finding and recommendations no later than December 1, 2014 and may make any supplemental reports as needed.

The bill would expand the number of commissioners from three to five members, which would result in a slight increase in travel reimbursements for the new members.

The bill would remove the fixed license fee for bingo equipment manufacturers and distributors and distributor's licenses and allow the Lottery Commission to set the fees by rule to levels necessary to defray administrative costs.

The bill would remove the requirement that bingo equipment manufacturers and distributors pay an extra \$1,000 to obtain a two-year license. The bill would remove the \$10 bingo license amendment fee and allow the Lottery Commission to establish by rule a fee schedule that varies based on the complexity of the proposed license amendment.

The bill would allow the Lottery Commission by rule to impose a fee for an initial bingo worker registration application and a renewal application. The bill would require the commission to set the fee in an amount sufficient to cover the application processing costs, including a criminal history background check, identification card, and other administrative costs the commission considers appropriate.

The bill would amend the Occupations Code to require that a licensed authorized organization must use at least five percent of the gross revenue of all bingo games for charitable purposes.

The bill would take effect September 1, 2013.

## **Methodology**

Based on information provided by the Texas Lottery Commission, the Sunset Commission, and the Comptroller of Public Accounts, the bill could result in a net loss of revenues deposited to the credit of General Revenue and an increase in revenues deposited to the credit of the Foundation School Fund each year as reflected in the table above.

This analysis assumes a General Revenue decrease of \$43,667,000 in fiscal year 2014 and \$43,870,000 in fiscal year 2015 and an equal increase to the Foundation School Fund resulting from the deposit of unclaimed prize money into the Foundation School Fund, which was

previously deposited to General Revenue. This analysis also assumes that the bill would result in a General Revenue increase of \$10,335 from fees collected from the establishment of a new amendment fee schedule, assuming a \$25 fee; a General Revenue increase of \$139,192 from a \$25 fee collected for initial bingo worker registration applications and renewal applications; and a General Revenue decrease of \$4,500 from the elimination of the \$1,000 fee on two-year licenses for bingo equipment manufacturers and distributors.

Based on information provided by the State Office of Administrative Hearings and the Office of the Attorney General, the bill would have no fiscal impact. Based on information provided by the Texas Lottery Commission, it is assumed that all other duties and responsibilities associated with implementing the provisions of the bill could be covered by using existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 362 Texas Lottery Commission, 116 Sunset Advisory Commission, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings

**LBB Staff:** UP, AG, MW, ER, RB