

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Wayne Smith, Chair, House Committee on Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1504 by Canales (Relating to a lottery prize winner's choice to remain anonymous on authorization to withhold five percent of winnings.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1504, As Introduced: a positive impact of \$596,772 through the biennium ending August 31, 2017.

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
2016	\$298,386
2017	\$298,386
2018	\$298,386
2019	\$298,386
2020	\$298,386

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Foundation School Fund 193
2016	\$298,386
2017	\$298,386
2018	\$298,386
2019	\$298,386
2020	\$298,386

Fiscal Analysis

The bill would amend the Government Code relating to a lottery prize winner's choice to remain anonymous on authorization to withhold five percent of winnings.

The bill would direct the Lottery Commission to adopt rules governing nondisclosure of the identity of certain lottery prize winners. The bill would allow a lottery prize winner to remain anonymous if the prize amount is over \$1.0 million and the winner authorizes five percent of the prize amount to be withheld and be deposited to the credit of General Revenue-Dedicated Account 5025 (GR-D 5025).

The bill takes effect September 1, 2015; however, the provisions of the bill would only apply to lottery prize winners that submit a claim for a lottery prize on or after January 1, 2016.

Methodology

Based on information provided by the Texas Lottery Commission and the Comptroller of Public Accounts, this analysis assumes an annual average of \$198.9 million in prizes paid where the prizes were valued at over \$1.0 million. It is also assumed that approximately three percent of those prize winnings (\$5.97 million) would be subject to prize winners opting to remain anonymous and have five percent of their prize winnings withheld (\$298,386). The bill would result in an annual revenue gain of \$298,386 to GR-D 5025, which would then be transferred to the Foundation School Fund 193.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Based on information provided by the Texas Lottery Commission, it is further assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and 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: UP, CL, NV, ER