

By: Powell

S.B. No. 832

A BILL TO BE ENTITLED

AN ACT

relating to lottery game revenue for grants to public school  
prekindergarten programs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 29, Education Code, is  
amended by adding Section 29.1551 to read as follows:

Sec. 29.1551. FUND FOR PREKINDERGARTEN PROGRAMS. (a) The  
fund for prekindergarten programs is a special fund in the state  
treasury outside the general revenue fund. The fund is composed of:

(1) money transferred to the fund at the direction of  
the legislature;

(2) gifts and grants contributed to the fund;

(3) the earnings of the fund; and

(4) money transferred to the fund from proceeds of the  
lottery game operated under Section 466.0275, Government Code.

(b) Money in the fund may be appropriated only to the agency  
to:

(1) provide grants under Section 29.155 to school  
districts and open-enrollment charter schools to implement or  
expand prekindergarten programs in accordance with that section;  
and

(2) administer the fund.

SECTION 2. Subchapter B, Chapter 466, Government Code, is  
amended by adding Section 466.0275 to read as follows:

1       Sec. 466.0275. PUBLIC PRE-K GAME. (a) The commission shall  
2 operate an instant-ticket lottery game to benefit the fund for  
3 prekindergarten programs established by Section 29.1551, Education  
4 Code.

5       (b) The commission shall:

6           (1) determine the ticket price, payout amounts, and  
7 manner in which the game is conducted;

8           (2) make tickets to the game available for sale  
9 continuously to the extent practicable; and

10          (3) change the design or theme of the game regularly to  
11 ensure the game remains competitive with other instant-ticket  
12 lottery games offered by the commission.

13       (c) The commission shall market and advertise the lottery  
14 game operated under this section in a manner intended to inform the  
15 public that the game tickets are available for purchase and that the  
16 game proceeds are used to fund public prekindergarten programs in  
17 this state. The game tickets must clearly state that the game  
18 proceeds are used to benefit the public prekindergarten students in  
19 this state. The Texas Education Agency may make recommendations to  
20 the Texas Lottery Commission relating to the marketing and  
21 advertising of the game.

22       (d) The commission shall encourage each sales agent that  
23 sells tickets to instant-ticket games or similar types of lottery  
24 games to sell tickets to the game operated under this section.

25       SECTION 3. Section 466.355(b), Government Code, is amended  
26 to read as follows:

27       (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 466.0275 to the fund for prekindergarten programs established by Section 29.1551, Education Code; and

(C) the remainder to the foundation school fund.

SECTION 4. (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

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1 selling tickets to the lottery game as required by Section  
2 466.0275, Government Code, as added by this Act, not later than  
3 March 1, 2020.

4 SECTION 5. This Act takes effect September 1, 2019.