

BILL ANALYSIS

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By: Hall
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The failures of the Texas Lottery Commission (TLC) in oversight have been well documented, particularly in connection with lottery couriers who facilitated two high-profile jackpot wins in 2023 and 2024. The couriers could not have operated without internal cooperation from TLC personnel and further, the agency's delayed response in adopting meaningful rules action only recently took place in April 2025. However, a new lawsuit in Travis County could potentially reopen the door for courier operations, raising further concerns about fraud and reputational damage to the state. TLC has been a source of embarrassment and the associated financial benefits do not nearly justify the ethical and reputational costs this agency has cost our state.

The lottery has been referred to as a tax on people who do not understand statistics. It is more accurate to call it a tax on poor people who want a chance at a better life. The lottery used to sell a small piece of hope, and that is what people bought. But even before TLC was corrupted, it was a raw deal. Now the game is rigged, and the only people who have a chance to win are criminals who get a fantastic rate of return while they launder their money. Criminals are the only winners now, and TLC rigged the game for them by letting the couriers in.

While acknowledging that TLC contributed \$1.89 billion to the Foundation School Program and \$23.3 million to the Fund for Veterans' Assistance in fiscal year 2024, these funds account for only a small portion of total state funding for those programs. If there is a choice between financial gain of \$2 billion in annual revenues and preserving the integrity of the state, there is no argument. The state's dignity and reputation is worth more than preserving an institution that disproportionately exploits low-income Texans and appears to benefit criminals due to systemic failures.

TLC is beyond reform, and its duties should be transferred to another state agency that has demonstrated operational efficiency and integrity.

This Bill Would:

- Abolish TLC and transfer remaining operations to the Texas Department of Licensing and Regulation (TDLR), making conforming changes to related statutes within Government and Occupations Code that previously referred to TLC to clarify that "commission" now refers to the Texas Commission of Licensing and Regulation, and "department" or "division" now means TDLR;
- Require a limited-scope sunset review of the state lottery to evaluate and make recommendations on the continuation of the state lottery, and unless the sunset review continues the existence of the lottery, it will be abolished by August 31, 2027;
- Limit the number of lottery tickets sold to not more than 100 tickets in a single transaction;
- Prohibit play or facilitation of play by telephone, internet or app, creating a criminal offense;
- Ensure felons and individuals with moral turpitude are not eligible for employment; and
- Create a Lottery Advisory Committee to provide external expertise on the lottery.

As proposed, S.B. 3070 amends current law relating to the abolishment of the Texas Lottery Commission and the transfer of the administration of the state lottery and the licensing and regulation of charitable bingo to the Texas Commission of Licensing and Regulation and creates a criminal offense.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Lottery Commission is transferred to the Texas Commission of Licensing and Regulation in SECTION 7 (Section 466.015, Government Code), SECTION 61 (Section 2001.056, Occupations Code), SECTION 62 (Section 2001.057, Occupations Code), and SECTION 67 (Section 2001.560, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Lottery Commission is transferred to the Texas Department of Licensing and Regulation in SECTION 18 (Section 466.108, Government Code) and SECTION 70 (Section 721.003, Transportation Code) of this bill.

Rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 55 (Section 55.217, Occupations Code) and SECTION 59 (Section 2001.0501, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Lottery Commission is rescinded in SECTION 71 (Sections 467.102 and 467.111, Government Code, and Section 2001.061, Occupations Code) of this bill.

Rulemaking authority previously granted to the Department of Aging and Disability Services is rescinded in SECTION 70 (Section 721.003, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 411.093(a), Government Code, as follows:

(a) Provides that the Texas Department of Licensing and Regulation (TDLR) is entitled to obtain criminal history record information as provided by Subsection (b) (relating to entitling TDLR to obtain criminal history record information from certain entities) that relates to certain persons, including an applicant for or the holder of a license under Chapter 466 (State Lottery) or a license under Chapter 2001 (Bingo), Occupations Code. Makes nonsubstantive changes.

SECTION 2. Amends Section 411.467(d), Government Code, to require the Department of Public Safety of the State of Texas (DPS) to also send the coordinated law enforcement adult rescue alert for missing adult to certain entities, including TDLR, rather than the Texas Lottery Commission (TLC).

SECTION 3. Amends Sections 466.002(1), (3), and (4), Government Code, to define "department" and "director" and to redefine "commission," "division," and "executive director."

SECTION 4. Amends Subchapter A, Chapter 466, Government Code, by adding Section 466.005, as follows:

Sec. 466.005. LIMITED-SCOPE SUNSET REVIEW OF STATE LOTTERY. Requires the Sunset Advisory Commission to conduct a limited-scope review of the state lottery during the state fiscal biennium ending August 31, 2027, in the manner provided by Chapter 325 (Texas Sunset Act). Requires that the review provide an evaluation and recommendations regarding the continuation of the state lottery. Provides that, unless continued in existence, the state lottery is abolished and this chapter expires September 1, 2027.

SECTION 5. Amends the heading to Section 466.014, Government Code, to read as follows:

Sec. 466.014. POWERS AND DUTIES OF DEPARTMENT AND EXECUTIVE DIRECTOR.

SECTION 6. Amends Sections 466.014(a) and (d), Government Code, as follows:

(a) Provides that TDLR, rather than TLC, and the executive director of TDLR (executive director) have broad authority and are required to exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery.

(d) Requires that a contract between TDLR, rather than the lottery division, and a lottery operator under Subsection (b) contain a provision allowing the contract to be terminated without penalty if TDLR is abolished. Makes a conforming change.

SECTION 7. Amends Section 466.015(b), Government Code, as follows:

(b) Requires the Texas Commission on Licensing and Regulation (TCLR) to adopt rules to the extent they are not inconsistent with Chapters 551 (Open Meetings) and 552 (Public Information) governing certain subjects, including the enforcement of prohibitions on the sale of tickets to or by an individual younger than 18 years of age, and enforcement of prohibitions on a person playing or facilitating the play of a lottery game by telephone or through an Internet application or mobile Internet application in violation of Section 466.318.

SECTION 8. Amends Section 466.018, Government Code, to make a conforming change.

SECTION 9. Amends Section 466.019, Government Code, to make conforming changes.

SECTION 10. Amends Sections 466.020(a) and (d), Government Code, as follows:

(a) Requires the executive director to maintain a department of security within the financial crimes intelligence center established under Chapter 2312 (Financial Crimes Intelligence Center), Occupations Code, rather than maintain a department of security in TLC. Requires the executive director to appoint a deputy to administer the department of security. Requires the deputy to be qualified by training and experience in law enforcement or security to supervise, direct, and administer the activities of the department of security.

(d) Makes conforming changes.

SECTION 11. Amends Section 466.022, Government Code, to make conforming changes.

SECTION 12. Amends Section 466.023(b), Government Code, to make conforming changes.

SECTION 13. Amends Section 466.026, Government Code, to make a conforming change.

SECTION 14. Amends Sections 466.027(a), (b), (c), and (d), Government Code, to make conforming changes.

SECTION 15. Amends Section 466.105(b), Government Code, to make conforming changes.

SECTION 16. Amends Section 466.106(a), Government Code, to make a conforming change.

SECTION 17. Amends Sections 466.107(a) and (c), Government Code, to make conforming changes.

SECTION 18. Amends Section 466.108, Government Code, to make conforming changes.

SECTION 19. Amends Section 466.109, Government Code, to make conforming changes.

SECTION 20. Amends Section 466.110, Government Code, to make conforming changes.

SECTION 21. Amends Section 466.151(a), Government Code, to make conforming changes.

SECTION 22. Amends Sections 466.155(a), (b), (e), and (f), Government Code, as follows:

(a) Provides that, after a hearing, the executive director, rather than the director of TLC, is required to deny an application for a license or TDLR is required to suspend or revoke a license if the executive director or TDLR, as applicable, makes certain findings regarding the applicant or sales agent. Makes conforming changes.

(b)-(f) Makes conforming changes to these subsections.

SECTION 23. Amends Sections 466.160(a), (b), and (d), Government Code, to make conforming changes.

SECTION 24. Amends Sections 466.161(b) and (c), Government Code, to make conforming changes.

SECTION 25. Amends Section 466.201, Government Code, to make conforming changes.

SECTION 26. Amends Section 466.202, Government Code, to make conforming changes.

SECTION 27. Amends Sections 466.203(a) and (c), Government Code, to make nonsubstantive changes.

SECTION 28. Amends Section 466.204, Government Code, to make conforming changes.

SECTION 29. Amends Section 466.254, Government Code, to make conforming changes.

SECTION 30. Amends Subchapter F, Chapter 466, Government Code, by adding Section 466.255, as follows:

Sec. 466.255. LIMITATION ON NUMBER OF LOTTERY TICKETS PER TRANSACTION. Prohibits a person from selling to one individual more than 100 lottery tickets in a single transaction.

SECTION 31. Amends Section 466.302(a), Government Code, to make a conforming change.

SECTION 32. Amends Sections 466.3051(a) and (d), Government Code, as follows:

(a) Provides that a sales agent or an employee of a sale agent commits an offense if with criminal negligence the person sells or offers to sell, rather than the person intentionally or knowingly sells or offers to sell, a ticket to an individual that the person knows is younger than 18 years of age.

(d) Makes a conforming change to this subsection.

SECTION 33. Amends Section 466.3052(a), Government Code, to make conforming changes.

SECTION 34. Amends Section 466.311(b), Government Code, to make conforming changes.

SECTION 35. Amends Subchapter G, Chapter 466, Government Code, by adding Section 466.318, as follows:

Sec. 466.318. PLAY OR FACILITATING PLAY BY TELEPHONE OR BY INTERNET OR MOBILE INTERNET APPLICATION. (a) Prohibits a person by telephone or through an Internet application or mobile Internet application from:

(1) purchasing or ordering the purchase of a ticket for a lottery game; or

(2) for compensation, accepting an order for a ticket for a lottery game from a player, selling a ticket for a lottery game to a player, or arranging to purchase a ticket on behalf of a person playing a lottery game or for

another person to purchase a ticket on behalf of a person playing a lottery game.

(b) Provides that a person commits an offense if the person violates this section.

(c) Provides that an offense under Subsection (a)(1) is a Class C misdemeanor.

(d) Provides that an offense under Subsection (a)(2) is a Class A misdemeanor.

SECTION 36. Amends Sections 466.408(a), (c), and (f), Government Code, to make conforming changes.

SECTION 37. Amends Sections 466.410(a), (b), (d), (f), (g), and (j), Government Code, to make conforming changes.

SECTION 38. Amends Sections 466.411(b) and (d), Government Code, to make conforming changes.

SECTION 39. Amends Section 466.451, Government Code, to make a conforming change.

SECTION 40. Amends Section 466.452(b), Government Code, to make conforming changes.

SECTION 41. Amends Section 466.453, Government Code, to make a conforming change.

SECTION 42. Amends Section 544.0456(c), Government Code, to make a conforming change.

SECTION 43. Amends Sections 572.003(b) and (c), Government Code, to redefine "appointed officer of a major state agency."

SECTION 44. Transfers Sections 467.001(3), (4), (5), (6), (7), (8), (9), (10), and (11), Government Code, to Section 51.001, Occupations Code, redesignates them as Sections 51.001(1-b), (2-a), (2-b), (4-a), (4-b), (4-c), (4-d), (4-e), and (4-f), Occupations Code, and amends them to make conforming and nonsubstantive changes.

SECTION 45. Amends Section 51.002, Occupations Code, to provide that, unless continued in existence as provided by Chapter 325 (Texas Sunset Act), TCLR and TDLR are abolished and Chapter 2001 (Bingo) of the Occupations Code expires September 1, 2033.

SECTION 46. Amends Section 51.053, Occupations Code, by adding Subsection (b-1), as follows:

(b-1) Provides that, in addition to the eligibility requirements provided by Subsection (b) (relating to providing that a person is not eligible for appointment as a member of TCLR if the person or the person's spouse meets certain conditions), a person is not eligible for appointment as a member of TCLR if the person has been convicted of a felony or of any crime involving moral turpitude or is not a citizen of the United States.

SECTION 47. Transfers Section 467.025, Government Code, to Subchapter B, Chapter 51, Occupations Code, redesignates it as Section 51.061, Occupations Code, and makes no further changes.

SECTION 48. Transfers Section 467.036, Government Code to Subchapter B, Chapter 51, Occupations Code, redesignates it as Section 51.062, Occupations Code, and makes no further changes.

SECTION 49. Transfers Section 467.101, Government Code, to Subchapter D, Chapter 51, Occupations Code, redesignates it as Section 51.2011, Occupations Code, and amends it, as follows:

Sec. 51.2011. New heading: POWERS AND DUTIES OF COMMISSION REGARDING STATE LOTTERY AND BINGO REGULATION. Makes nonsubstantive changes to this section.

SECTION 50. Transfers Section 467.104, Government Code to Subchapter D, Chapter 51, Occupations Code, redesignates it as Section 51.212, Occupations Code, and amends it as follows:

Sec. 51.212. New heading: LOTTERY AND BINGO PROGRAM RECORDS. (a) Provides that, except as otherwise provided by law, all TCLR records relating to the state lottery under Chapter 466 (State Lottery), Government Code, and the regulation of charitable bingo under Chapter 2001 are subject to public inspection in accordance with Chapter 552 (Public Information), Government Code.

(b) Requires the executive director to keep the records described by Subsection (a), rather than keep the records of TLC.

SECTION 51. Transfers Section 467.105, Government Code, to Subchapter D, Chapter 51, Occupations Code, redesignates it as Section 51.213, Occupations Code, and makes no further changes.

SECTION 52. Transfers Section 467.106, Government Code, to Subchapter D, Chapter 51, Occupations Code, redesignates it as Section 51.214, Occupations Code, and amends it to make conforming changes.

SECTION 53. Transfers Section 467.107, Government Code, to Subchapter D, Chapter 51, Occupations Code, redesignates it as Section 51.215, Occupations Code, and amends it to make conforming changes.

SECTION 54. Transfers Section 476.108, Government Code, to Subchapter D, Chapter 51, Occupations Code, redesignates it as Section 51.216, Occupations Code, and amends it as follows:

Sec. 51.216. REPRESENTATION BY FORMER OFFICER OR EMPLOYEE. (a) Prohibits a former TCLR member or former executive director, rather than former director, from performing certain actions. Makes conforming and nonsubstantive changes.

(b) Makes no changes to this subsection.

SECTION 55. Amends Subchapter D, Chapter 51, Occupations Code, by adding Sections 51.217 and 51.218, as follows:

Sec. 51.217. LOTTERY ADVISORY COMMITTEE. (a) Requires TCLR to establish a lottery advisory committee to provide external expertise on the lottery. Requires TCLR to appoint to the advisory committee members who represent a balance of interests, including representatives of certain entities.

(b) Provides that a lottery advisory committee member serves at the pleasure of TCLR.

(c) Provides that a lottery advisory committee member is not entitled to receive compensation for serving as a member. Provides that a member is entitled to reimbursement for reasonable expenses incurred in performing duties as a member.

(d) Requires the lottery advisory committee to advise TCLR and TDLR on the needs and problems of this state's lottery industry, comment on proposed lottery rules during development and before final adoption unless an emergency requires immediate action by TCLR, annually report to TCLR and TDLR on the advisory

committee's activities, annually brief TCLR and TDLR on advancements and challenges in this state's lottery industry, and perform other duties as determined by TCLR or TDLR.

(e) Requires TCLR to adopt rules to govern the lottery advisory committee, including rules on member composition, appointment procedures, and terms, quorum requirements for advisory committee meetings, additional representation requirements for and qualifications of advisory committee members, including experience or geographic location, any necessary training requirements for advisory committee members, and the method for the public to provide comments on issues the advisory committee considers.

(f) Requires the lottery advisory committee to meet quarterly or at TCLR's or TDLR's request.

(g) Prohibits TCLR from adopting a rule that restricts the lottery advisory committee from discussing any lottery-related topic.

Sec. 51.218. ANNUAL REPORT. (a) Requires TDLR annually to submit a report to the governor and the legislature that:

(1) includes a summary of lottery revenue, prize disbursements, and other expenses for the state fiscal year preceding the report;

(2) includes a comprehensive business plan to guide TDLR's major lottery initiatives that contains specific goals for TDLR and an evaluation of certain TDLR operations;

(3) addresses the trends and issues related to violations of state laws under the department's lottery and bingo jurisdiction identified in complaints submitted under Section 51.252 (Complaints) as analyzed to identify the trends and issues by alleged violation type and to evaluate the effectiveness of TDLR's enforcement process and through an inspection, audit, or other means of regulating lottery operations under Chapter 466, Government Code, and bingo under Chapter 2001;

(4) includes for the preceding calendar year charitable bingo information on:

(A) the total amount reported by licensed authorized organizations of adjusted gross receipts from bingo operations under Chapter 2001,

(B) the total amount reported by licensed authorized organizations of net proceeds from bingo operations under Chapter 2001; and

(C) a comparison of the amounts reported under Paragraphs (A) and (B), including the percentage the net proceeds represents compared to the adjusted gross receipts; and

(5) provides biennial recommendations to the legislature on emerging trends, technological advancements, regulatory developments, and market dynamics affecting the lottery and bingo industries.

(b) Provides that, for purposes of Subsection (a)(4):

(1) defines "adjusted gross receipts;" and

(2) TDLR is required to determine the total amount of net proceeds in a manner that does not reduce gross receipts by the amount of rent paid for

the rental of bingo premises by a licensed authorized organization to another licensed authorized organization if the other organization pays rent for the premises to a licensed commercial lessor.

SECTION 56. Amends Section 2001.002, Occupations Code, by amending Subdivisions (8) and (25-a) to redefine "commission" and "regular license" and adding Subdivisions (8-a) and (10) to define "department" and "executive director."

SECTION 57. Amends Section 2001.003, Occupations Code, as follows:

Sec. 2001.003. REGULATORY FUNDING FROM LICENSE FEES AND BINGO PRIZE FEES. Provides that it is the intent of the legislature that the funding necessary for the administration of this chapter by TDLR, rather than TLC, be collected by TDLR from commercial lessor, manufacturer, and distributor license fees and money paid to TDLR by bingo players as bingo prize fees. Makes conforming changes.

SECTION 58. Amends the heading to Subchapter B, Chapter 2001, Occupations Code, to read as follows:

SUBCHAPTER B. DEPARTMENT POWERS AND DUTIES.

SECTION 59. Amends Subchapter B, Chapter 2001, Occupations Code, by adding Section 2001.0501, as follows:

Sec. 2001.0501. ALLOCATION OF POWERS AND DUTIES. Provides that a power granted or duty assigned to TCLR under this chapter is a power or duty of the executive director of TDLR, TDLR, or TCLR, as established by TCLR rule.

SECTION 60. Amends Section 2001.053, Occupations Code, to make conforming changes.

SECTION 61. Amends Sections 2001.056(b), (c), (d), and (e), Occupations Code, to make conforming changes.

SECTION 62. Amends Section 2001.057, Occupations Code, by amending Subsections (a), (e), (f), and (g), and adding Subsection (h), as follows:

(a) Requires, rather than authorizes, TCLR to appoint a bingo advisory committee consisting of nine members.

(e) Requires, rather than authorizes, the bingo advisory committee to perform certain actions, including advising TCLR and TDLR on the needs and problems of the state's bingo industry, reporting annually to TCLR and TDLR on the committee's activities, annually briefing TDLR and TDLR on advancements and challenges in this state's bingo industry, and performing other duties as determined by TCLR or TDLR. Makes a nonsubstantive change.

(f) Requires, rather than authorizes, the bingo advisory committee to meet quarterly or at TCLR's or TDLR's request.

(g) Requires, rather than authorizes, TCLR to adopt rules to govern the operations of the bingo advisory committee and to prohibit the committee's involvement in committee member selection.

(h) Prohibits TCLR from adopting a rule that prohibits or restricts the bingo advisory committee from discussing any bingo-related topic. Prohibits this subsection from being construed to require action by TCLR on each item submitted by the committee or otherwise alter TCLR's decision-making authority.

SECTION 63. Amends Section 2001.058, Occupations Code, to make conforming changes.

SECTION 64. Amends Sections 2001.059(b) and (f), Occupations Code, as follows:

(b) Requires TCLR to respond to a request under Subsection (a) (relating to authorizing certain entities to request from TCLR an advisory opinion regarding compliance with Chapter 2001 and the rules of TCLR) not later than the later of the second TCLR meeting or the 60th day after the date a request is received, unless TCLR determines that the request does not contain sufficient facts to provide an answer on which the requestor may rely. Makes a conforming change.

(f) Makes a conforming change to this subsection.

SECTION 65. Amends Section 2001.152, Occupations Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Authorizes a person who was a licensed commercial lessor on June 10, 1989, whose license has been in effect continuously since that date, and who is otherwise eligible for the license, notwithstanding Subsection (a) (relating to authorizing TCLR to issue a commercial lessor license only to certain entities) and subject to Subsection (c), to renew the license.

(c) Authorizes TCLR to place an administrative hold on the license of a licensed commercial lessor described by Subsection (b) for a period TCLR determines not to exceed 10 years. Requires TCLR, if the administrative hold on the license remains on the last day of that period, to remove the administrative hold and provides that the lessor is not eligible to renew the license as a continuous license holder under Subsection (b).

SECTION 66. Amends Section 2001.557, Occupations Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Makes a conforming change to this subsection.

(c) Requires TCLR, in developing and implementing a policy or procedure under Subsection (b) (relating to requiring TCLR by rule to develop and implement policies and procedures to reach certain outcomes), to consult with the bingo advisory committee established under Section 2001.057 (Bingo Advisory Committee) to collaboratively define and implement specific fiscal accountability criteria for inspections of premises.

SECTION 67. Amends Sections 2001.560(c), (c-1), (c-2), and (e), Occupations Code, are amended to read as follows:

(c) Makes conforming changes to this subsection.

(c-1) Requires TDLR, rather than the bingo division, to use audit risk analysis procedures established by TCLR to perform certain actions, including annually identifying the license holders most at risk of violating this chapter or rules adopted under this chapter, including consideration of license holder compliance history in the identification. Makes nonsubstantive changes.

(c-2) Makes a conforming change to this subsection.

(e) Makes conforming changes to this subsection.

SECTION 68. Amends Subchapter B, Chapter 2312, Occupations Code, by adding Section 2312.0545, as follows:

Sec. 2312.0545. CENTER'S DEPARTMENT OF SECURITY. (a) Requires the financial crimes intelligence center (center) to maintain a department of security within the center as required by Section 466.020 (Security), Government Code.

(b) Authorizes the center's department of security to identify and respond to criminal activity related to financial crimes associated with the state lottery and charitable bingo.

SECTION 69. Amends Section 47.09(a), Penal Code, to provide that it is a defense to prosecution under Chapter 47 (Gambling) that the conduct met certain criteria, including being a necessary incident to the operation of the state lottery and being directly or indirectly authorized by certain entities, including TDLR and the executive director of TDLR. Deletes existing text providing that it is a defense to prosecution under this chapter that the conduct was a necessary incident to the operation of the state lottery and was directly or indirectly authorized by the lottery division of TLC, TLC, or the director of the lottery division of TLC. Makes nonsubstantive changes.

SECTION 70. Amends Section 721.003(a), Transportation Code, as follows:

(a) Deletes existing text authorizing the governing body of the Department of State Health Services (DSHS) and Department of Aging and Disability Services (DADS) by rule to exempt from the requirements of Section 721.002 (Inscription Required on State-Owned Motor Vehicles) a motor vehicle that is under the control and custody of DSHS and DADS. Makes a conforming change.

SECTION 71. Repealer: Section 232.0021 (Application of Chapter to Texas Lottery Commission), Family Code, and Section 411.108 (Access to Criminal History Record Information), Government Code.

Repealers: Sections 466.012 (Division Employees) and 466.016 (Annual Report), Government Code.

Repealer: Section 466.028 (Comprehensive Business Plan), Government Code.

Repealers: Sections 467.001(1) (relating to defining "commission") and (2) (relating to defining "executive director"), Government Code.

Repealer: the heading to Section 467.001 (Definitions), Government Code.

Repealer: Section 467.002 (Application of Sunset Act), Government Code.

Repealers: Sections 467.021 (Membership) and 467.022 (Term of Office), Government Code.

Repealers: Sections 467.023 (Residence Requirement) and 467.024 (Eligibility), Government Code.

Repealers: Sections 467.0255 (Training) and 467.026 (Removal of Commission Member), Government Code.

Repealers: Sections 467.027 (Compensation and Expenses) and 467.028 (Offices), Government Code.

Repealers: Sections 467.029 (Presiding Officer) and 467.030 (Meetings), Government Code.

Repealers: Sections 467.031 (Divisions) and 467.032 (Executive Director), Government Code.

Repealers: Section 467.033 (Division Directors) and 467.034 (Employees), Government Code.

Repealers: Sections 467.035 (Restrictions on Employment) and 467.037 (Division of Responsibilities), Government Code.

Repealers: Sections 467.102 (Rules) and 467.103 (Duties of Executive Director), Government Code.

Repealers: Sections 467.109 (Negotiated Rulemaking and Alternative Dispute Resolution Policy) and 467.110 (Public Participation), Government Code.

Repealers: Sections 467.111 (Complaints), Government Code.

Repealer: the heading to Subchapters A (General Provisions) and B (Commission), Chapter 467, Government Code.

Repealer: the heading to Subchapter C (Powers and Duties), Chapter 467, Government Code.

Repealer: the heading to Chapter 467 (Texas Lottery Commission), Government Code.

Repealers: Sections 2001.051 (Control and Supervision of Bingo; Bingo Division) and 2001.052 (Directors of Bingo Operations), Occupations Code.

Repealers: Sections 2001.060 (Reporting) and 2001.061 (License Renewal Process), Occupations Code.

Repealer: Section 2001.307 (Maximum License Term), Occupations Code.

Repealer: Section 721.003(e) (relating to authorizing a rule adopted by TLC to exempt certain vehicles from the requirements of Section 721.002 (Inscription Required on State-Owned Motor Vehicles)), Transportation Code.

SECTION 72. (a) Provides that, on September 1, 2025:

(1) all functions and activities performed by TLC relating to the state lottery under Chapter 466, Government Code, and the regulation of bingo operations under Chapter 2001, Occupations Code, immediately before that date are transferred to TCLR or TDLR, as applicable;

(2) a rule, policy, procedure, decision, or form adopted by TLC relating to Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, is a rule, policy, procedure, decision, or form of TCLR or TDLR, as applicable, and remains in effect until amended or repealed by TCLR or TDLR unless the rule, policy, procedure, decision, or form conflicts with the changes in law made by this Act;

(3) unless the context clearly indicates otherwise, a reference to TLC in a law or administrative rule that relates to Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, means TCLR or TDLR, as applicable;

(4) a complaint, investigation, or other proceeding before TLC that is related to Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, is transferred without change in status to TCLR, and TDLR assumes, as appropriate and without a change in status, the position of TLC in an action or proceeding to which TLC is a party;

(5) a license, permit, certification, or registration in effect that was issued by TLC under Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, is continued in effect as a license, permit, certification, or registration of TDLR;

(6) all money, contracts, leases, property, and obligations of TLC relating to Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, are transferred to TDLR; and

(7) the unexpended and unobligated balance of any money appropriated by the legislature for TLC related to Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, is transferred to TDLR.

(b) Provides that, on September 1, 2025, all full-time equivalent employee positions at TLC that primarily concern the administration, auditing, accounting, enforcement, or other direct and indirect support of Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code, become positions at TDLR. Requires TDLR, when filling the positions, to give first consideration to an applicant who, as of August 31, 2025, was an employee at TLC primarily involved in administering or enforcing Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code.

(c) Requires TLC, on and after September 1, 2025, to grant TDLR inquiry-only security access to:

(1) all licensing, enforcement, and examination software or computer systems used by TLC in administering or enforcing Chapter 466 or 467, Government Code, or Chapter 2001, Occupations Code; and

(2) the uniform statewide accounting system, the state property accounting system, the uniform statewide payroll system, and the human resources information system for TLC.

(d) Authorizes TLC, on and after September 1, 2025, to agree with TDLR to transfer any property of TLC to TDLR to implement the transfers required by this Act.

(e) Requires TDLR and TLC to coordinate implementation of this section. Requires TLC to cooperate with TDLR in transferring all data and records necessary to implement the transfers required by this Act.

(f) Requires TLC and TDLR, not later than December 1, 2025, to develop and enter into a memorandum of understanding regarding the transfers required by this Act. Requires that the memorandum include a transition plan with a timetable and specific steps and deadlines required to complete the transfer.

(g) Requires a manufacturer of bingo equipment or supplies that submitted to TLC a bond as required under Section 2001.204, Occupations Code, before September 1, 2025, that is in effect on the effective date of this Act, not later than December 1, 2025, to amend the bond to name TDLR as the payee for the bond.

SECTION 73. Makes application of Chapter 2001, Occupations Code, prospective.

SECTION 74. (a) Makes application of this Act prospective.

(b) Makes application of Section 2001.152, Occupations Code, as amended by this Act, prospective.

SECTION 75. Requires TDLR, not later than December 1, 2025, to:

(1) appoint members to the lottery advisory committee and adopt rules to govern the operations of the committee as required by Section 51.217, Occupations Code, as added by this Act;

(2) appoint members to the bingo advisory committee and adopt rules to govern the operations of the committee as required by Section 2001.057, Occupations Code, as amended by this Act; and

(3) adopt rules necessary to implement this Act.

SECTION 76. Requires TDLR, not later than December 1, 2026, to submit to Sunset and each standing committee of the legislature with primary jurisdiction over the state lottery or regulation of charitable bingo any legislative recommendations necessary to improve the lottery or charitable bingo.

SECTION 77. Effective date: September 1, 2025.