

By: Shaheen

H.B. No. 2918

A BILL TO BE ENTITLED

AN ACT

relating to the abolishment of the state lottery.

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

ARTICLE 1. ABOLISHMENT OF STATE LOTTERY

SECTION 1.01. Section 467.002, Government Code, is amended to read as follows:

Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is subject to review under Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter~~[, Chapter 466 of this code,]~~ and Chapter 2001, Occupations Code, expire September 1, 2029.

SECTION 1.02. Sections 467.024(a) and (c), Government Code, are amended to read as follows:

(a) An individual is not eligible to be an appointed member of the commission if the individual:

(1) is registered, certified, or licensed by a regulatory agency in the field of bingo ~~[or lottery]~~;

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization regulated by the commission or receiving funds from the commission;

(3) is employed by or participates in the management of a business entity or other organization regulated by or receiving funds from the commission;

1 (4) uses or receives a substantial amount of tangible
2 goods, services, or funds from the commission, other than
3 compensation or reimbursement authorized by law for commission
4 membership, attendance, or expenses;

5 (5) is an officer, employee, or paid consultant of a
6 Texas trade association in the field of bingo [~~or lottery~~];

7 (6) is required to register as a lobbyist under
8 Chapter 305 because of the person's activities for compensation on
9 behalf of a profession related to the operation of the commission;

10 (7) is married to an individual described by
11 Subdivisions (2)-(6);

12 (8) has been convicted of a felony or of any crime
13 involving moral turpitude; or

14 (9) is not a citizen of the United States.

15 (c) A person may not be a commission employee employed in a
16 "bona fide executive, administrative, or professional capacity,"
17 as that phrase is used for purposes of establishing an exemption to
18 the overtime provisions of the federal Fair Labor Standards Act of
19 1938 (29 U.S.C. Section 201 et seq.), if:

20 (1) the person is an officer, employee, or paid
21 consultant of a Texas trade association in the field of bingo [~~or~~
22 ~~lottery~~]; or

23 (2) the person's spouse is an officer, manager, or paid
24 consultant of a Texas trade association in the field of bingo [~~or~~
25 ~~lottery~~].

26 SECTION 1.03. Section 467.025(a), Government Code, is
27 amended to read as follows:

1 (a) A commission member may not:

2 (1) accept any employment or remuneration from [+

3 [~~(A)~~ a person that has a significant financial
4 interest in the lottery, or

5 [~~(B)~~] a bingo commercial lessor, bingo
6 distributor, or bingo manufacturer;

7 (2) play any [~~lottery or~~] bingo game conducted in this
8 state;

9 (3) accept or be entitled to accept any part of the
10 winnings to be paid from a [~~lottery or~~] bingo game conducted in this
11 state;

12 (4) use the member's official authority to affect the
13 result of an election or nomination for public office; or

14 (5) directly or indirectly coerce, attempt to coerce,
15 command, or advise a person to pay, lend, or contribute anything of
16 value to another person for political purposes.

17 SECTION 1.04. Section 467.031, Government Code, is amended
18 to read as follows:

19 Sec. 467.031. BINGO DIVISION [~~DIVISIONS~~]. The commission
20 shall establish a division [~~separate divisions~~] to oversee bingo
21 [~~and the state lottery~~].

22 SECTION 1.05. Section 467.035(a), Government Code, is
23 amended to read as follows:

24 (a) The commission may not employ or continue to employ a
25 person who owns a financial interest in [+

26 [~~(1)~~] a bingo commercial lessor, bingo distributor, or
27 bingo manufacturer [~~, or~~

1 ~~[(2) a lottery sales agency or a lottery operator].~~

2 SECTION 1.06. Sections 467.101(a) and (c), Government Code,
3 are amended to read as follows:

4 (a) The commission has broad authority and shall exercise
5 strict control and close supervision over all activities authorized
6 and conducted in this state under[+]

7 ~~[(1)] Chapter 2001, Occupations Code[, and~~

8 ~~[(2) Chapter 466 of this code].~~

9 (c) The commission also has the powers and duties granted
10 under[+]

11 ~~[(1)] Chapter 2001, Occupations Code[, and~~

12 ~~[(2) Chapter 466 of this code].~~

13 SECTION 1.07. Section 467.108(a), Government Code, is
14 amended to read as follows:

15 (a) A former commission member, former executive director,
16 or former director may not[+]

17 ~~[(1) for compensation, represent a person that has~~
18 ~~made or intends to make a bid to operate the lottery before the~~
19 ~~commission before the second anniversary of the date that the~~
20 ~~person's service in office or employment with the commission~~
21 ~~ceases,~~

22 ~~[(2)] represent any person or receive compensation for~~
23 services rendered on behalf of any person regarding a particular
24 matter in which the former officer or employee participated during
25 the period of service or employment with the commission, either
26 through personal involvement or because the matter was within the
27 scope of the officer's or employee's official responsibility[~~or~~

1 ~~[(3) for compensation communicate directly with a~~
2 ~~member of the legislative branch to influence legislation on behalf~~
3 ~~of a person that has a significant financial interest in the~~
4 ~~lottery, before the second anniversary of the date that the~~
5 ~~person's service in office or employment with the commission~~
6 ~~ceases].~~

7 SECTION 1.08. Section [467.111\(f\)](#), Government Code, is
8 amended to read as follows:

9 (f) The commission shall prepare a report on the trends and
10 issues identified under Subsection (e) and make the report
11 available to the public. The commission shall address the
12 identified trends and issues, including trends and issues related
13 to the regulation [~~of lottery operations under Chapter [466](#) and~~] of
14 bingo under Chapter [2001](#), Occupations Code.

15 SECTION 1.09. The following provisions of the Government
16 Code are repealed:

- 17 (1) Chapter [466](#);
- 18 (2) Section [467.001\(9\)](#); and
- 19 (3) Sections [467.106](#) and [467.107](#).

20 SECTION 1.10. (a) Subject to Subsection (b) of this
21 section, on January 1, 2026:

22 (1) the lottery division of the Texas Lottery
23 Commission is abolished and all division powers and duties related
24 to lottery prize payments, penalties, enforcement provisions, and
25 any necessary continued operations under Chapter [466](#), Government
26 Code, as it existed immediately before the effective date of this
27 Act, and other law are transferred to the Texas Lottery Commission;

1 (2) all obligations, rights, contracts, bonds,
2 appropriations, records, and property of the lottery division are
3 transferred to the commission;

4 (3) a rule, policy, procedure, or decision related to
5 lottery prize payments, penalties, enforcement provisions, and any
6 necessary continued operations of the lottery division continues in
7 effect until superseded by a later act of the commission; and

8 (4) a reference in law to the lottery division means
9 the commission.

10 (b) Any lottery division funds that on January 1, 2026, are
11 allocated to specific lottery operations shall be deposited in the
12 state treasury and may be used only for Foundation School Program
13 purposes.

14 SECTION 1.11. (a) Not later than October 1, 2025, the Texas
15 Lottery Commission shall adopt a comprehensive transition plan for
16 the transfer described by Section 1.10 of this article and identify
17 any essential lottery division personnel necessary for the
18 continued payment of lottery prizes and assessment and enforcement
19 of penalties.

20 (b) This section takes effect September 1, 2025.

21 SECTION 1.12. (a) Notwithstanding the repeal by this Act of
22 Chapter 466, Government Code, that chapter as it existed
23 immediately before the effective date of this Act continues in
24 effect for the payment of lottery prizes and the assessment and
25 enforcement of penalties until each lottery prize and installment
26 prize payment is made to the lottery prize winner entitled to the
27 payment and each penalty assessment is finally determined as

1 required by that chapter and rules adopted under that chapter as
2 they existed immediately before the effective date of this Act.

3 (b) On or after the effective date of this Act, a lottery
4 sales agent may not sell or offer to sell a lottery ticket for a
5 lottery game authorized under Chapter 466, Government Code, as
6 repealed by this Act.

7 SECTION 1.13. The changes in law made by this article apply
8 to an offense committed on or after the effective date of this Act.
9 An offense committed before that date is governed by the law as it
10 existed on the date the offense was committed, and the former law is
11 continued in effect for that purpose.

12 ARTICLE 2. CONFORMING AMENDMENTS

13 SECTION 2.01. Article 2A.001, Code of Criminal Procedure,
14 is amended to conform to Section 2, Chapter 624 (H.B. 4372), Section
15 1, Chapter 870 (H.B. 3981), Section 1, Chapter 950 (S.B. 1727), and
16 Section 1, Chapter 984 (S.B. 2612), Acts of the 88th Legislature,
17 Regular Session, 2023, and further amended to read as follows:

18 Art. 2A.001. PEACE OFFICERS GENERALLY. The following are
19 peace officers:

20 (1) a sheriff, a sheriff's deputy, or a reserve deputy
21 sheriff who holds a permanent peace officer license issued under
22 Chapter 1701, Occupations Code;

23 (2) a constable, a deputy constable, or a reserve
24 deputy constable who holds a permanent peace officer license issued
25 under Chapter 1701, Occupations Code;

26 (3) a marshal or police officer of a municipality or a
27 reserve municipal police officer who holds a permanent peace

1 officer license issued under Chapter 1701, Occupations Code;

2 (4) a ranger, officer, or member of the reserve
3 officer corps commissioned by the Public Safety Commission and the
4 director of the Department of Public Safety;

5 (5) an investigator of a district attorney's, criminal
6 district attorney's, or county attorney's office;

7 (6) a law enforcement agent of the Texas Alcoholic
8 Beverage Commission;

9 (7) a member of an arson investigating unit
10 commissioned by a municipality, a county, or the state;

11 (8) an officer commissioned under Section 37.081 or
12 37.0818, Education Code, or Subchapter E, Chapter 51, Education
13 Code;

14 (9) an officer commissioned by the Texas Facilities
15 Commission;

16 (10) a law enforcement officer commissioned by the
17 Parks and Wildlife Commission;

18 (11) an officer commissioned under Chapter 23,
19 Transportation Code;

20 (12) a municipal park and recreational patrol officer
21 or security officer;

22 (13) a security officer or investigator commissioned
23 as a peace officer by the comptroller;

24 (14) an officer commissioned by a water control and
25 improvement district under Section 49.216, Water Code;

26 (15) an officer commissioned by a board of trustees
27 under Chapter 54, Transportation Code;

1 (16) an investigator commissioned by the Texas Medical
2 Board;

3 (17) an officer commissioned by:

4 (A) the board of managers of the Dallas County
5 Hospital District, the Tarrant County Hospital District, the Bexar
6 County Hospital District, or the El Paso County Hospital District
7 under Section 281.057, Health and Safety Code;

8 (B) the board of directors of the Ector County
9 Hospital District under Section 1024.117, Special District Local
10 Laws Code;

11 (C) the board of directors of the Midland County
12 Hospital District of Midland County, Texas, under Section 1061.121,
13 Special District Local Laws Code; or

14 (D) the board of hospital managers of the Lubbock
15 County Hospital District of Lubbock County, Texas, under Section
16 1053.113, Special District Local Laws Code;

17 (18) a county park ranger commissioned under
18 Subchapter E, Chapter 351, Local Government Code;

19 (19) an investigator employed by the Texas Racing
20 Commission;

21 (20) an officer commissioned under Chapter 554,
22 Occupations Code;

23 (21) an officer commissioned by the governing body of
24 a metropolitan rapid transit authority under Section 451.108,
25 Transportation Code, or a regional transportation authority under
26 Section 452.110, Transportation Code;

27 (22) an investigator commissioned by the attorney

1 general under Section 402.009, Government Code;

2 (23) ~~[a security officer or investigator commissioned~~
3 ~~as a peace officer under Chapter 466, Government Code;~~

4 ~~[(24)]~~ an officer appointed by an appellate court
5 under Subchapter F, Chapter 53, Government Code;

6 (24) ~~[(25)]~~ an officer commissioned by the state fire
7 marshal under Chapter 417, Government Code;

8 (25) ~~[(26)]~~ an investigator commissioned by the
9 commissioner of insurance under Section 701.104, Insurance Code;

10 (26) ~~[(27)]~~ an officer appointed by the inspector
11 general of ~~[apprehension specialist or inspector general~~
12 ~~commissioned by]~~ the Texas Juvenile Justice Department ~~[as an~~
13 ~~officer]~~ under Section 242.102 ~~[or 243.052]~~, Human Resources Code;

14 (27) ~~[(28)]~~ an officer appointed by the inspector
15 general of the Texas Department of Criminal Justice under Section
16 493.019, Government Code;

17 (28) ~~[(29)]~~ an investigator commissioned by the Texas
18 Commission on Law Enforcement under Section 1701.160, Occupations
19 Code;

20 (29) ~~[(30)]~~ a fire marshal or any related officer,
21 inspector, or investigator commissioned by a county under
22 Subchapter B, Chapter 352, Local Government Code;

23 (30) ~~[(31)]~~ a fire marshal or any officer, inspector,
24 or investigator commissioned by an emergency services district
25 under Chapter 775, Health and Safety Code;

26 (31) a fire marshal or any officer, inspector, or
27 investigator of a municipality who holds a permanent peace officer

1 license issued under Chapter 1701, Occupations Code;

2 (32) an officer commissioned by the State Board of
3 Dental Examiners under Section 254.013, Occupations Code, subject
4 to the limitations imposed by that section; and

5 (33) an Alamo complex ranger commissioned by the
6 General Land Office under Section 31.0515, Natural Resources Code,
7 subject to the limitations imposed by that section [~~investigator~~
8 ~~commissioned by the Texas Juvenile Justice Department as an officer~~
9 ~~under Section 221.011, Human Resources Code~~].

10 SECTION 2.02. Section 411.108(a-2), Government Code, is
11 amended to read as follows:

12 (a-2) Subject to Sections 411.087[~~, 466.201,~~] and
13 467.036(b) of this code and Section 2001.3025, Occupations Code,
14 and consistent with the public policy of this state, the Texas
15 Lottery Commission is entitled to:

16 (1) obtain through the Federal Bureau of Investigation
17 criminal history record information maintained or indexed by that
18 bureau that pertains to a person described by Subsection [~~(a) or~~]
19 (a-1); and

20 (2) obtain from the department or any other criminal
21 justice agency in this state criminal history record information
22 maintained by the department or that criminal justice agency that
23 relates to a person described by Subsection [~~(a) or~~] (a-1).

24 SECTION 2.03. Section 434.017(a), Government Code, is
25 amended to read as follows:

26 (a) The fund for veterans' assistance is a special fund in
27 the state treasury outside the general revenue fund. The fund is

1 composed of:

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

4 (2) gifts and grants contributed to the fund;

5 (3) the earnings of the fund;

6 (4) ~~[money transferred to the fund from proceeds of
7 the lottery game operated under Section 466.027 or transferred to
8 the fund under Section 466.408(b)];~~

9 ~~[(5)]~~ money deposited to the credit of the fund under
10 Section 502.1746, Transportation Code;

11 (5) ~~[(6)]~~ money deposited to the credit of the fund
12 under Sections 521.008 and 522.0295, Transportation Code;

13 (6) ~~[(7)]~~ money deposited to the credit of the fund
14 under Section 12.007, Parks and Wildlife Code; and

15 (7) ~~[(8)]~~ money deposited to the credit of the fund
16 under Section 411.1741.

17 SECTION 2.04. Section 544.0456(c), Government Code, as
18 effective April 1, 2025, is amended to read as follows:

19 (c) On a monthly basis, the commission shall:

20 (1) ~~[conduct electronic data matches with the Texas
21 Lottery Commission to determine whether a recipient of supplemental
22 nutrition assistance benefits or a recipient's household member
23 received reportable lottery winnings];~~

24 ~~[(2)]~~ use the database system developed under Section
25 532.0201 to:

26 (A) match vital statistics unit death records
27 with a list of individuals eligible for financial assistance or

1 supplemental nutrition assistance benefits; and

2 (B) ensure that any individual receiving
3 assistance under either program who is discovered to be deceased
4 has the individual's eligibility for assistance promptly
5 terminated; and

6 (2) ~~[(3)]~~ review the out-of-state electronic benefit
7 transfer card transactions a recipient of supplemental nutrition
8 assistance benefits made to determine whether those transactions
9 indicate a possible change in the recipient's residence.

10 SECTION 2.05. Section 572.003(b), Government Code, is
11 amended to read as follows:

12 (b) The term means:

13 (1) the banking commissioner of the Texas Department
14 of Banking [~~Banking Commissioner of The Banking Department of~~
15 ~~Texas~~];

16 (2) the administrative director of the Office of Court
17 Administration of the Texas Judicial System;

18 (3) the chief executive of the Office of Public
19 Utility Counsel;

20 (4) the executive director of the State Bar of Texas;

21 (5) [~~the director of the lottery division of the Texas~~
22 ~~Lottery Commission,~~

23 [~~(6) the deputy in charge of the department of~~
24 ~~security in the lottery division of the Texas Lottery Commission,~~

25 [~~(7)]~~ the director of the bingo division of the Texas
26 Lottery Commission; or

27 (6) [(8)] the secretary of state.

1 SECTION 2.06. Section 2113.102(a), Government Code, is
2 amended to read as follows:

3 (a) A state agency may not use appropriated money to
4 contract with a person to audit the financial records or accounts of
5 the agency except as provided by:

6 (1) Subsections (b), (c), and (d); and

7 ~~(2) [Chapter 466, pertaining to the state lottery,~~

8 ~~(3)] Chapter 2306, pertaining to the Texas Department~~
9 ~~of Housing and Community Affairs[; and~~

10 ~~(4) Chapter 361, Transportation Code, pertaining to~~
11 ~~the Texas Turnpike Authority division of the Texas Department of~~
12 ~~Transportation].~~

13 SECTION 2.07. Section 47.02(c), Penal Code, is amended to
14 read as follows:

15 (c) It is a defense to prosecution under this section that
16 the actor reasonably believed that the conduct:

17 (1) was permitted under Chapter 2001, Occupations
18 Code;

19 (2) was permitted under Chapter 2002, Occupations
20 Code;

21 (3) was permitted under Chapter 2004, Occupations
22 Code;

23 (4) ~~[consisted entirely of participation in the state~~
24 ~~lottery authorized by the State Lottery Act (Chapter 466,~~
25 ~~Government Code),~~

26 ~~(5)] was permitted under Subtitle A-1, Title 13,~~
27 ~~Occupations Code (Texas Racing Act); or~~

1 (5) [~~(6)~~] consisted entirely of participation in a
2 drawing for the opportunity to participate in a hunting, fishing,
3 or other recreational event conducted by the Parks and Wildlife
4 Department.

5 SECTION 2.08. Section 47.09(a), Penal Code, is amended to
6 read as follows:

7 (a) It is a defense to prosecution under this chapter that
8 the conduct[+]

9 [~~(1)~~] was authorized under:

10 (1) [~~(A)~~] Chapter 2001, Occupations Code;

11 (2) [~~(B)~~] Chapter 2002, Occupations Code;

12 (3) [~~(C)~~] Chapter 2004, Occupations Code;

13 (4) [~~(D)~~] Subtitle A-1, Title 13, Occupations Code
14 (Texas Racing Act); or

15 (5) [~~(E)~~] Chapter 280, Finance Code[+]

16 ~~[(2) consisted entirely of participation in the state~~
17 ~~lottery authorized by Chapter 466, Government Code, or~~

18 ~~[(3) was a necessary incident to the operation of the~~
19 ~~state lottery and was directly or indirectly authorized by:~~

20 ~~[(A) Chapter 466, Government Code,~~

21 ~~[(B) the lottery division of the Texas Lottery~~
22 ~~Commission,~~

23 ~~[(C) the Texas Lottery Commission, or~~

24 ~~[(D) the director of the lottery division of the~~
25 ~~Texas Lottery Commission].~~

26 SECTION 2.09. The following provisions are repealed:

27 (1) Section 9.406(k), Business & Commerce Code;

- 1 (2) Section 232.0021, Family Code;
- 2 (3) Section 411.108(a), Government Code;
- 3 (4) Section 467.030(b), Government Code;
- 4 (5) Section 2054.007, Government Code; and
- 5 (6) Section 2002.056(c), Occupations Code.

6 SECTION 2.10. The changes in law made by this article apply
7 to an offense committed on or after the effective date of this Act.
8 An offense committed before that date is governed by the law as it
9 existed on the date the offense was committed, and the former law is
10 continued in effect for that purpose.

11 ARTICLE 3. CONFLICT OF LAW; EFFECTIVE DATE

12 SECTION 3.01. To the extent of any conflict, this Act
13 prevails over another Act of the 89th Legislature, Regular Session,
14 2025, relating to nonsubstantive additions to and corrections in
15 enacted codes.

16 SECTION 3.02. This Act takes effect September 1, 2025.