

By: Bucy

H.B. No. 3201

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the licensing and regulation of lottery couriers by the
3 Texas Lottery Commission; requiring an occupational license;
4 authorizing a fee.

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

6 SECTION 1. Section 411.108, Government Code, is amended by
7 adding Subsection (a-3) to read as follows:

8 (a-3) The Texas Lottery Commission is entitled to obtain
9 criminal history record information as provided by Subsection (a-2)
10 that relates to a person licensed under Subchapter K, Chapter 466.

11 SECTION 2. Section 466.002, Government Code, is amended by
12 adding Subdivision (5-a) to read as follows:

13 (5-a) "Lottery courier" means a person licensed under
14 this chapter to act as an agent for a player in purchasing a ticket.

15 SECTION 3. Section 466.201(a), Government Code, is amended
16 to read as follows:

17 (a) The commission is entitled to conduct an investigation
18 of and is entitled to obtain criminal history record information
19 maintained by the Department of Public Safety, the Federal Bureau
20 of Investigation Identification Division, or another law
21 enforcement agency to assist in the investigation of:

22 (1) a sales agent or an applicant for a sales agent
23 license;

24 (2) a person required to be named in a license

1 application;

2 (3) a lottery operator or prospective lottery
3 operator;

4 (4) an employee of a lottery operator or prospective
5 lottery operator, if the employee is or will be directly involved in
6 lottery operations;

7 (5) a person who manufactures or distributes lottery
8 equipment or supplies, or a representative of a person who
9 manufactures or distributes lottery equipment or supplies offered
10 to the lottery;

11 (6) a person who has submitted a written bid or
12 proposal to the commission in connection with the procurement of
13 goods or services by the commission, if the amount of the bid or
14 proposal exceeds \$500;

15 (7) an employee or other person who works for or will
16 work for a sales agent or an applicant for a sales agent license;

17 (8) a person who proposes to enter into or who has a
18 contract with the commission to supply goods or services to the
19 commission; [~~or~~]

20 (9) a lottery courier or an applicant for a lottery
21 courier license; or

22 (10) if a person described in Subdivisions (1) through
23 (9) [~~(8)~~] is not an individual, an individual who:

24 (A) is an officer or director of the person;

25 (B) holds more than 10 percent of the stock in the
26 person;

27 (C) holds an equitable interest greater than 10

1 percent in the person;

2 (D) is a creditor of the person who holds more
3 than 10 percent of the person's outstanding debt;

4 (E) is the owner or lessee of a business that the
5 person conducts or through which the person will conduct
6 lottery-related activities;

7 (F) shares or will share in the profits, other
8 than stock dividends, of the person;

9 (G) participates in managing the affairs of the
10 person; or

11 (H) is an employee of the person who is or will be
12 involved in:

13 (i) selling tickets; or

14 (ii) handling money from the sale of
15 tickets.

16 SECTION 4. Section [466.204](#), Government Code, is amended to
17 read as follows:

18 Sec. 466.204. ACCESS TO INTERNAL REVENUE SERVICE
19 INFORMATION. The executive director may obtain information
20 relating to a person's qualification for licensing, employment, or
21 contracting under this chapter from the Internal Revenue Service
22 under a contract between the comptroller and the Internal Revenue
23 Service on:

24 (1) a sales agent or an applicant for a sales agent
25 license;

26 (2) an employee or prospective employee of the
27 commission;

1 (3) a person required to be named in a license
2 application;

3 (4) a lottery operator or prospective lottery
4 operator;

5 (5) an employee of a lottery operator or prospective
6 lottery operator, if the employee is or will be directly involved in
7 lottery operations;

8 (6) a person who manufactures or distributes lottery
9 equipment or supplies, or a representative of a person who
10 manufactures or distributes lottery equipment or supplies offered
11 to the lottery;

12 (7) a person who has submitted a written bid or
13 proposal to the commission in connection with the procurement of
14 goods or services by the commission;

15 (8) an employee or other person who works for or will
16 work for a sales agent or an applicant for a sales agent license;
17 [~~or~~]

18 (9) a person who proposes to enter into or who has a
19 contract with the commission to supply goods or services to the
20 commission;

21 (10) a lottery courier or an applicant for a lottery
22 courier license; or

23 (11) an employee or other person who works for or will
24 work for a lottery courier or an applicant for a lottery courier
25 license.

26 SECTION 5. Chapter 466, Government Code, is amended by
27 adding Subchapter K to read as follows:

1 SUBCHAPTER K. LICENSING AND OPERATION

2 OF LOTTERY COURIERS

3 Sec. 466.501. LICENSE REQUIRED; ISSUANCE. (a) A person may
4 not act as an agent for a player in purchasing a ticket unless the
5 person holds a lottery courier license issued under this
6 subchapter.

7 (b) The director may issue a lottery courier license only to
8 a person the director finds has the experience, character, and
9 general fitness to ensure the person's participation as a lottery
10 courier will not detract from the integrity, security, honesty, and
11 fairness of the operation of the lottery.

12 (c) As a condition to issuance of a lottery courier license,
13 a lottery courier shall implement, before offering a service as a
14 lottery courier, any independent testing required by commission
15 rule.

16 Sec. 466.502. LICENSE APPLICATION; FEE. (a) An applicant
17 for a license under this subchapter must:

18 (1) apply to the division under rules adopted by the
19 commission; and

20 (2) provide:

21 (A) information necessary to determine the
22 applicant's eligibility for a lottery courier license, including
23 whether the applicant demonstrates compliance with provisions of
24 this chapter regulating ticket purchases; and

25 (B) other information the commission considers
26 necessary.

27 (b) The applicant must include an application fee with each

1 application. The director shall set the application fee in an
2 amount at least sufficient to cover the costs incurred by the
3 commission and by the Department of Public Safety to process the
4 application.

5 Sec. 466.503. DENIAL OF APPLICATION OR SUSPENSION OR
6 REVOCAION OF LICENSE. (a) After a hearing, the director shall
7 deny an application for a lottery courier license or the commission
8 shall suspend or revoke a lottery courier license if the director or
9 commission, as applicable, finds the applicant or lottery courier:

10 (1) is an individual who:

11 (A) has been convicted of a felony, criminal
12 fraud, gambling or a gambling-related offense, or a misdemeanor
13 involving moral turpitude, if less than 10 years has elapsed since
14 the termination of the sentence, parole, mandatory supervision, or
15 probation served for the offense;

16 (B) is or has been a professional gambler;

17 (C) is married to an individual:

18 (i) described in Paragraph (A) or (B); or

19 (ii) who is currently delinquent in the
20 payment of any state tax;

21 (D) is an officer or employee of the commission
22 or a lottery operator; or

23 (E) is a spouse, child, brother, sister, or
24 parent residing as a member of the same household in the principal
25 place of residence of a person described by Paragraph (D);

26 (2) is not an individual, and an individual described
27 in Subdivision (1):

1 (A) is an officer or director of the applicant or
2 lottery courier;

3 (B) holds more than 10 percent of the stock in the
4 applicant or lottery courier;

5 (C) holds an equitable interest greater than 10
6 percent in the applicant or lottery courier;

7 (D) is a creditor of the applicant or lottery
8 courier who holds more than 10 percent of the applicant's or lottery
9 courier's outstanding debt;

10 (E) is the owner or lessee of a business the
11 applicant or lottery courier conducts or through which the
12 applicant will conduct a lottery courier business;

13 (F) shares or will share in the profits, other
14 than stock dividends, of the applicant or lottery courier; or

15 (G) participates in managing the affairs of the
16 applicant or lottery courier;

17 (3) has been finally determined to be delinquent in
18 the payment of a tax or other money collected by the comptroller,
19 the Texas Workforce Commission, or the Texas Alcoholic Beverage
20 Commission;

21 (4) is a person whose location for the lottery courier
22 business is:

23 (A) a location licensed for games of bingo under
24 Chapter 2001, Occupations Code;

25 (B) on land owned by:

26 (i) this state; or

27 (ii) a political subdivision of this state

1 and on which is located a public primary or secondary school, an
2 institution of higher education, or a state agency; or

3 (C) a location for which a person holds a wine and
4 malt beverage retailer's permit, mixed beverage permit, mixed
5 beverage permit with a retailer late hours certificate, private
6 club registration permit, or private club registration permit with
7 a retailer late hours certificate issued under Chapter 25, 28, 29,
8 or 32, Alcoholic Beverage Code, other than a location for which a
9 person holds a wine and malt beverage retailer's permit issued
10 under Chapter 25, Alcoholic Beverage Code, that derives less than
11 30 percent of the location's gross receipts from the sale or service
12 of alcoholic beverages; or

13 (5) has violated this chapter or a rule adopted under
14 this chapter.

15 (b) If the director proposes to deny an application for a
16 license or the commission proposes to suspend or revoke a license
17 under this section, the applicant or lottery courier is entitled to
18 written notice of the time and place of the hearing. A notice may be
19 served on an applicant or lottery courier personally or sent by
20 certified or registered mail, return receipt requested, to the
21 person's mailing address as it appears on the commission's records.
22 A notice must be served or mailed not later than the 20th day before
23 the hearing date. The commission shall provide for a formal
24 administrative hearings process.

25 Sec. 466.504. PROHIBITED TRANSACTIONS. A lottery courier
26 may not open an account or accept a request for lottery courier
27 services from a person who is:

1 (1) under 18 years of age;

2 (2) an employee, officer, director, or direct or
3 indirect owner of the lottery courier;

4 (3) related within the first degree by consanguinity
5 to an employee, officer, director, or direct or indirect owner of
6 the lottery courier; or

7 (4) identified on a restricted list, as prescribed by
8 commission rule.

9 Sec. 466.505. COMPLIANCE AUDITS; ANNUAL REPORTS. (a) At
10 the sole expense of the lottery courier, the lottery courier at
11 least annually shall contract with an independent auditor the
12 commission approves for an audit of the lottery courier. On
13 completion of the audit and the auditor's determination the lottery
14 courier is in compliance with this subchapter, the auditor shall
15 issue a certification of compliance to the lottery courier.

16 (b) A lottery courier shall provide to the commission, not
17 later than the 120th day after the last day of the lottery courier's
18 fiscal year:

19 (1) the lottery courier's financial statements audited
20 in accordance with generally accepted auditing standards and a copy
21 of the certificate of compliance issued as required under
22 Subsection (a);

23 (2) an evaluation of the lottery courier's management
24 in accordance with the Standards for Attestation Engagements 18
25 standard established by the American Institute of Certified Public
26 Accountants; and

27 (3) an anti-money laundering compliance statement on a

1 form the commission prescribes and executed by the lottery
2 courier's designated anti-money laundering compliance officer.

3 Sec. 466.506. INSURANCE. A lottery courier shall maintain,
4 with the limits, coverage requirements, and minimum insurer ratings
5 prescribed by commission rule:

6 (1) cyber liability insurance;

7 (2) errors and omissions insurance; and

8 (3) directors and officers liability insurance.

9 Sec. 466.507. RESPONSIBLE GAMING PROTECTIONS. A lottery
10 courier shall:

11 (1) maintain a self-exclusion list and provide a
12 mechanism for a player to register through the lottery courier to be
13 excluded from the lottery courier's services;

14 (2) ensure to the commission's satisfaction that any
15 player on the lottery courier's self-exclusion list is prevented
16 from requesting lottery courier services;

17 (3) establish a limit approved by the commission on
18 the number or amount of daily ticket purchases for all players using
19 the lottery courier's services;

20 (4) provide a system for an individual player to set a
21 lower personal daily ticket purchase limit;

22 (5) accept only the payment methods authorized for a
23 lottery customer purchasing a ticket directly from a sales agent;
24 and

25 (6) provide player support to respond to player
26 inquiries and disputes, as the commission prescribes.

27 Sec. 466.508. ADVERTISING AND MARKETING. A lottery courier

1 shall:

2 (1) display prominently on the lottery courier's
3 Internet website or mobile Internet application a problem gambling
4 assistance message;

5 (2) ensure the lottery courier's services are not
6 advertised to individuals who have registered for the lottery
7 courier's self-exclusion list; and

8 (3) comply with the advertising guidelines of the
9 North American Association of State and Provincial Lotteries.

10 Sec. 466.509. RULES. The commission shall adopt rules to
11 implement this subchapter, which must include rules prohibiting
12 ticket sales:

13 (1) on credit; or

14 (2) to individuals:

15 (A) under 18 years of age; or

16 (B) not physically located in this state at the
17 time of the sale.

18 SECTION 6. Not later than February 1, 2026, the Texas
19 Lottery Commission shall adopt the rules necessary to implement the
20 changes in law made by this Act.

21 SECTION 7. This Act takes effect September 1, 2025.