

By: Hall

S.B. No. 1988

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:

(a) A commission member may not:

(1) accept any employment or remuneration from [÷

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

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

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

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

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

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

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

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

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

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

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

officer license issued under Chapter 1701, Occupations Code;

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

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

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

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

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

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

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

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

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

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

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

(15) an officer commissioned by a board of trustees 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

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;

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

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

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

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

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

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

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

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

~~(2)~~ use the database system developed under Section 532.0201 to:

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

supplemental nutrition assistance benefits; and

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

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

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

(b) The term means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(5)] was permitted under Subtitle A-1, Title 13, 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;

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

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

#### ARTICLE 3. CONFLICT OF LAW; EFFECTIVE DATE

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

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